
ORDINARY MEETING

OF

TRANSPORT AND URBAN DEVELOPMENT COMMITTEE

AGENDA

Time: 9.15am
Date: Thursday, 13 November 2014
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Coughlan
Councillor Foster (Chair)
Councillor Lee
Councillor Lester
Councillor Pannett
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 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The focus of the Committee is to direct growth to where the benefits are greatest and where adverse effects are minimised, and to deliver a quality compact urban environment.

The Committee will also lead and monitor a safe, efficient and sustainable transport system that supports Wellington's economy and adds to residents' quality of life with a strong focus on improving cycling and public transport and enhancing Wellington's walkability.

Quorum: 4 members

TABLE OF CONTENTS
13 NOVEMBER 2014

Business	Page No.
1. Meeting Conduct	5
1.1 Apologies	5
1.2 Conflict of Interest Declarations	5
1.3 Confirmation of Minutes	5
1.4 Public Participation	5
1.5 Items not on the Agenda	5
2. Petitions	7
2.1 A Safe Crossing to McAlister Park	7
3. General Business	9
3.1 Wellington Urban Growth Plan	9
3.2 2014/15 First Quarter Report	83
3.3 Review of Annual Reports for Council Controlled Organisations for the year ending 30 June 2014	107

1 Meeting Conduct

1.1 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.

1.2 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.

1.3 Confirmation of Minutes

The minutes of the meeting held on 23 September 2014 will be put to the Transport and Urban Development Committee for confirmation.

1.4 Public Participation

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

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 Transport and Urban Development Committee.

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.

Minor Matters relating to the General Business of the Transport and Urban Development Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Transport and Urban Development Committee for further discussion.

2. Petitions

A SAFE CROSSING TO MCALISTER PARK

Primary Petitioner: Caleb Carnie
Total Signatures: 72

Presented by: Caleb Carnie
Contact Officer: Steve Spence
Director Responsible: Anthony Wilson

Recommendation

That the Transport and Urban Development Committee:

1. Receive the information.

Background

1. The ePetition "A Safe Crossing to McAlister Park" was initiated by Caleb Carnie on 12 July 2014 and closed on 12 October 2014.
2. The petition was open to all members of the public with internet access to the Council's website. It received 72 signatures.
3. The purpose of the ePetition is to request that Council introduce a safe crossing around the end of Farnham St where it meets McAlister Park in Mornington. The petitioner states that dozens of walkers cross between the Farnham St playground and sports fields every week and the intersection has poor visibility with no safe place to cross.

Officers' response

4. The officers agree that there is a lack of a convenient crossing facility over Britomart Street to provide a link for pedestrians between the Farnham Street playground and the main McAlister Park sports field. The Farnham/Britomart/Liardet intersection does not feature in the top 300 sites in the city in terms of crash statistics and therefore has a comparatively good safety record. Nonetheless in line with the Council's walking policy objectives, the officers will include the site for further investigation to see whether it will be possible to provide a low cost improvement, most likely in the form of a central pedestrian refuge on Britomart Street close to the public pathway running along the south side of McAlister Park.
5. Subject to this more detailed assessment, if an appropriate improvement option is identified, it will go forward for prioritisation along with other competing minor safety projects across the city. These are each assessed on the basis of factors including:
 - Accidents
 - Pedestrian demand
 - Vehicle volumes

- Number of high risk individuals
- Cost vs benefits

6. The highest scoring projects are then implemented subject to available annual funding.

Attachments

Nil

3. General Business

WELLINGTON URBAN GROWTH PLAN

Purpose

1. This report provides a summary of the public consultation conducted on the Draft Wellington Urban Growth Plan, highlights changes made to the draft document, and seeks formal adoption of the final document by the Committee.

Summary

2. The draft Wellington Urban Growth Plan was available for public comments for four weeks in September / October 2014. A total of 89 written submissions were received.
3. Submissions from organisations generally support the direction of the Plan with some seeking minor amendments. Submissions from individuals were predominantly from Tawa residents concerned with potential residential intensification around their town centre. A number of changes have been made to the document to reflect the comments received.
4. Officers are seeking Committee approval to formally adopt the plan.
5. Officers are working on a detailed Implementation Plan which will closely align with the Long-term Plan 2015-25.

Recommendation/s

That the Transport and Urban Development Committee:

1. Receive the report.
2. Recommend to Council that it adopts the Wellington Urban Growth Plan as the replacement for Council's Transport Strategy (2006) and Urban Development Strategy (2006).
3. Agree that officers will continue to develop a detailed Implementation Plan and report back to Committee in early 2015.
4. Note that a full summary of the public consultation responses is appended to the report.

Background

6. The draft Wellington Urban Growth Plan was approved by this Committee for public consultation in August 2014.
7. The draft document has been presented to a number of stakeholders including: Tawa Community Board, Council's advisory groups, Iwi, Regional Mayoral Forum, Housing New Zealand Corporation, Ministry of Education, NZ Transport Agency, CentrePort, Wellington Airport, Chamber of Commerce, Property Council, Inner City Retailers, Wellington Property Investors' Association and key developers. The document has also been subject to further internal consultation with relevant Council teams.

8. The draft Wellington Urban Growth Plan was available for public consultation from 16 September 2014, for a period of 28 days, closing on 13 October 2014.
9. The Council received a total of 89 submissions, as follows:
 - Tawa-related submissions by individuals: 51
 - Other individual submissions: 13
 - Organisation submissions: 25
10. The submitter organisations include: residents associations or groups (7), New Zealand Transport Agency, Greater Wellington Regional Council, Housing New Zealand Corporation, Property Council New Zealand, Victoria University of Wellington, Environmental Reference Group, Wellington City Youth Council, Wellington Electricity Lines Limited, New Zealand Centre for Sustainable Cities, Generation Zero, Living Streets Aotearoa, Great Harbour Way Trust, Wellington Civic Trust, Architectural Centre, and private companies (4), including developers.

Discussion

11. The comments received are predominantly positive. Submissions from organisations support the general direction of the Plan. Submissions from individuals are more varied.
12. General support was expressed for:
 - intensification along the growth spine;
 - increasing housing numbers and quality;
 - facilitating more affordable housing options;
 - improving pedestrian and cycle facilities;
 - improving public transport;
 - further greening of the central area;
 - maintaining the city's environmental quality; and
 - increasing our resilience (especially earthquake strengthening of buildings).
13. Mixed responses were received on:
 - the Roads of National Significance and Petone to Grenada projects: some submitters oppose these on the grounds that they do not promote sustainable transport modes while others consider them essential to the city's economic prosperity.
 - urban intensification in certain locations: submissions were received in support and in opposition to intensification in locations identified as potential medium density housing areas (Tawa, Karori, Miramar, Newlands, Crofton Downs, Berhampore, Island Bay and Khandallah).
 - greenfield development: some submitters oppose further greenfield development on the grounds that it is not a sustainable form of development while others prefer greenfield development over intensification in their neighbourhood.
14. Some respondents criticised the plan's lack of implementation detail and questioned whether Council could deliver the outcomes identified. The Implementation Plan will address these issues.
15. Most of the submissions from Tawa were in response to two aspects of the Plan:
 - land surrounding the town centre is identified as an area of investigation for potential medium density housing. More specifically, some submitters were

- concerned buildings up to four storeys high might result from this leading to a loss of local character.
- a possible future road link is proposed to link Stebbings Valley and Tawa. Some submitters were concerned that this could connect with a suburban back street thus causing congestion and loss of amenity for residents.
16. Officers have since met with members of the Tawa Community Board to clarify that medium density housing means buildings of two or three storeys. The maximum building height would be identified as part of a community engagement process. Buildings up to 12m are already permitted in some parts of Tawa zoned as 'Centre'. With regard to the possible link road between Stebbings Valley and Tawa, Council does not consider a connection to a residential back street as a viable option from a road capacity and residential amenity point of view and will investigate connecting directly onto Main Road.
17. A full analysis of the consultation responses is available in the consultation summary document appended to this report. This will be available on the Council website along with a full copy of all submissions.
18. The consultation responses do not fundamentally challenge the direction proposed in the plan and only minor amendments to the document are required. These include:
- Reference to 'low-carbon technologies' for the bus fleet rather than 'fully electrified' as new technologies or fuel sources may be used to achieve low-emission, energy efficient objectives.
 - More emphasis on water sensitive urban design solutions to reduce stormwater run-off in urban areas.
 - Clarifying the language around public transport improvements and emphasising the active role Council will play in delivering them.
 - Emphasising the importance of port and airport access for people and freight.
 - Referring to the resilience benefits of the Roads of National Significance projects.
 - Taking account of the modal share of workers from outside the city boundaries when addressing car parking issues.
 - Clarifying that investigations into potential new medium density housing areas will involve consultation with the local communities.
19. Following on from further internal consultation with Council teams, other minor changes have been made to better align the document with existing and emerging work programmes. These include:
- Adding an action to review the provision of community, recreation and open space facilities in growth areas as population increases.
 - A broader explanation of the functions and benefits of our natural environment.
 - Better alignment with *Our Capital Spaces - An Open Spaces and Recreation Framework for Wellington: 2013-23*.
 - More detail on proposed improvements to the local road network.
 - More detail on the resilience work programme including starting the assessment of earthquake risk in post-1976 buildings.
 - Adding actions to assess the capacity of our infrastructure networks and identify locations with spare capacity or where upgrades are economically most beneficial.
 - Adding actions to support infrastructure for electric vehicles and remove barriers to renewable energy generation (e.g. solar).

Options

20. The Wellington Urban Growth Plan is a strategic document with a horizon of 30 years. A more detailed roadmap for the implementation of the plan over the next ten years is currently being prepared, in parallel with the development of the 2015-25 Long-term Plan.
21. As a first step towards an Implementation Plan, officers are identifying projects which could be undertaken in the short term (years 1 to 3 of the LTP) to support economic growth in the city by incentivising private investment and development in the identified growth areas. Medium term (years 4 to 10 of the LTP) and long term (beyond 2025) projects will also be identified.
22. The priority projects identified will help inform the funding decisions on key projects and programmes to be considered as part of the LTP 2015-25 process.

Next Actions

23. Officers will work closely with Councillors, the LTP team and others across the organisation to develop a full Implementation Plan for the first ten years of the Plan, with a particular emphasis on the first three years of the LTP. We will report back to the Committee on the draft Implementation Plan in early 2015 once the general direction of the LTP funding is understood.
24. Work will start immediately on projects which are not dependent on LTP funding, such as investigations on future medium density housing areas.

Attachments

- | | | |
|---------------|---|---------|
| Attachment 1. | Wellington Urban Growth Plan 2014-43 | Page 14 |
| Attachment 2. | Summary of Consultation on the Draft Wellington Urban Growth Plan (separately enclosed) | |
| Attachment 3. | Draft Wellington Urban Growth Plan 2014-43: Public Consultation Submissions (separately enclosed) | |

Author	Lucie Desrosiers, Senior Spatial Planner
Authoriser	Anthony Wilson, Chief Asset Officer

SUPPORTING INFORMATION

Consultation and Engagement

We have completed the public consultation for the document – see consultation summary. No further consultation is proposed prior to adoption.

Treaty of Waitangi considerations

We have met with Port Nicholson Settlement Block Trust and Ngati Toa Rangatira to present the draft plan and receive their comments.

Financial implications

Funding associated with the plan will be assessed as part of the LTP 2015-25 process.

Policy and legislative implications

The plan replaces the Council's Transport Strategy (2006) and Urban Development Strategy (2006).

The plan recommends reviews of aspects of the District Plan. These have been included in the District Plan team's work programme and will follow the normal regulatory process.

Risks / legal

No specific risks have been identified.

Climate Change impact and considerations

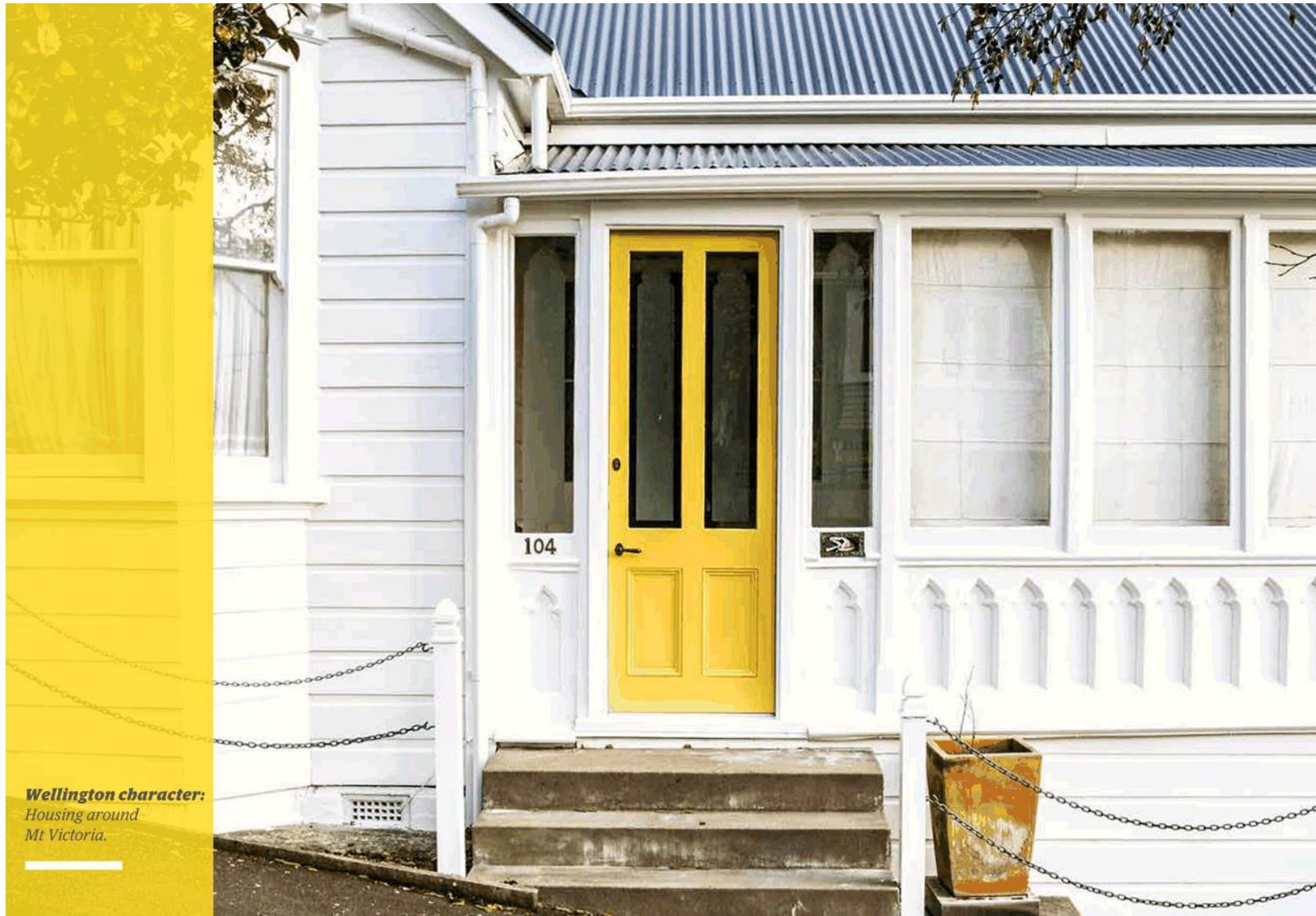
The plan contains a number of projects and actions to preserve the compact nature of the city; improve the uptake of walking, cycling, public transport and low-carbon transport alternatives; and manage the impact of urban development. These measures are intended to respond to issues in relations to climate change and reduction in carbon and particulate emissions.

Communications Plan

The adopted plan will be published on the Council website.

Item 3.1 Attachment 1





Wellington character:
*Housing around
Mt Victoria.*

CONTENTS

Executive summary	4	City resilience	20	4.0 Delivering the plan	61
1.0 Introduction	8	Transport and movement	22	Investment requirements	62
Context	8	Infrastructure	24	Implementation approach: key requirements	62
Purpose	8	Māori heritage and partnership	26	5.0 the Urban Growth Plan Review	64
Key outcomes	8	Historic heritage and character	26	Appendix A	66
Where do our population projections come from?	10	3.0 Our Action Plan	28	Key relevant policies and plans	66
Where does the Wellington Urban Growth Plan fit?	10	Our focus areas	28	Source documents	66
Other Council work programmes that the Urban Growth Plan will affect	11	Key actions	28		
2.0 The city now and by 2043	12	Transformational growth areas	30		
Regional context	12	Liveable and vibrant centres	36		
Population and growth	12	Real transport choices	40		
Housing	15	Housing choice and supply	51		
Natural environment and sustainability	17	Natural environment	56		
		City Resilience	59		

EXECUTIVE SUMMARY

Wellington City's population is expected to grow from the current 200,000 to approximately 250,000 over the next 30 years and to become more diverse. Our Wellington Urban Growth Plan ensures that as the city's population increases, new houses, infrastructure and services are developed sustainably and in areas that benefit the city the most so that residents continue to enjoy a world-class quality of life.

This is an action-focused plan, which builds on, updates and replaces our existing urban development and transport strategies. It seeks to preserve the city's character, keep it compact and connected to nature, make it more resilient and ensure we have an efficient, sustainable and accessible transport network.

The plan is the Council's guide for directing investment and supporting development in growth areas - a blueprint for prioritising and managing future growth. This includes the regeneration of existing urban areas, investment in the transport network and other infrastructure, the development

of new housing areas, and the delivery of improved public spaces. As well as accommodating extra people in the city, the plan ensures the quality of our natural environment is maintained and enhanced, places of historical value are preserved, and the city is prepared for the risks posed by natural hazards and climate change.

The plan helps to achieve our long-term vision, Wellington Towards 2040: Smart Capital, and sits alongside our strategies for economic development, the environment, social and recreation facilities, and governance. It also helps put into effect a number of existing Council policies and action plans such as our Central City Framework, Climate Change Action Plan, Biodiversity Action Plan, and Centres Policy.

It will support Council decisions on planning and investment and provide certainty for the city's stakeholders - developers, central government, iwi, other councils, architects, planners, ratepayers and residents.

To make sure the plan is effective, it will be monitored regularly to check it reflects changing local priorities and development pressures. This will include assessing the progress made in putting the plan into action and reporting back to Councillors and the wider organisation.

In summary, the Wellington Urban Growth Plan provides a framework for sustainable development. It provides strategies to manage the city's future growth while protecting our environment and heritage, and building on the things that make the city special.

We think it will be a catalyst for positive change.

Item 3.1 Attachment 1



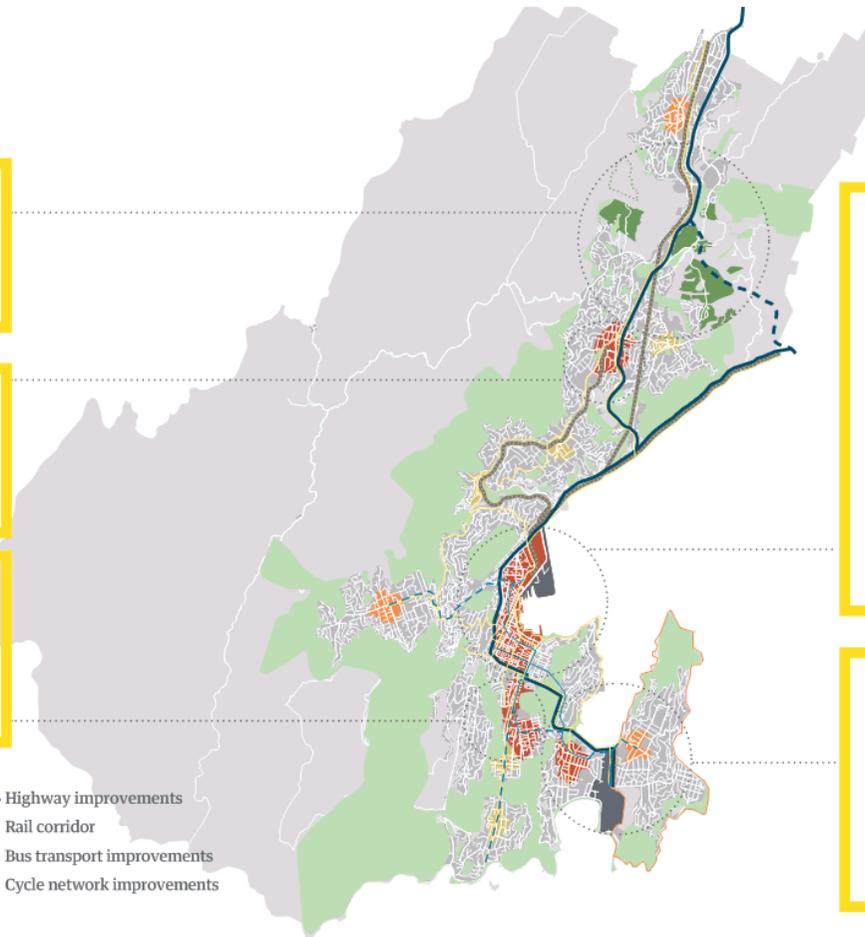
Summary Plan
The Wellington Urban Growth Plan

The construction of the Petone to Grenada link road will help encourage development in the Lincolnshire Farm and Stebbings Valley as greenfield growth areas.

Johnsonville and the town centre will be a targeted regeneration area with major roading improvements and further medium-density housing.

The delivery of the public transport spine and cycle lanes will encourage development in the Adelaide Road area. Berhampore and Island Bay will be looked at as future growth areas.

- Legend**
- Growth centres
 - Greenfield growth
 - Suburban centre planning
 - Investigation areas for growth
 - Highway improvements
 - Rail corridor
 - Bus transport improvements
 - Cycle network improvements



A number of projects will happen in the CBD. The Victoria Street upgrade will be followed by improvements and regeneration in east Te Aro. Other precincts will also be targeted for investment, including the civic centre, our laneways and Parliamentary precinct. A Port Access Plan will look at improving port access. Transport improvements will include the public transport spine, safe cycle lanes and reviewing the efficiency of our city's one-way streets.

Investments will be made in public transport, cycle facilities and the airport precinct. Support and regeneration of Kilbirnie and Miramar town centres will continue as well as guidance on appropriate development for Shelly Bay and Watts Peninsula.

The plan seeks to deliver the following key outcomes:

A compact city

The city's urban areas are surrounded by the Wellington Town Belt and the reserves, rural land and hilltops that form the Outer Green Belt. This has led to the city being compact, which is one of its distinctive features. It also makes our city walkable and helps minimise the need for new infrastructure. To keep Wellington compact, this plan directs future development to locations with quality transport links, infrastructure and community facilities.

A liveable city

The central city is the main economic, social and cultural hub of the region. It is walkable, lively, attractive and safe. At a local level, suburban centres provide a focus for community life and access to shops and services. This plan supports vibrant centres through a range of projects.

A city set in nature

The city's distinctive character is enhanced by protecting our natural environment, minimising the impact of urban development on the environment, and making sure people can easily get to the waterfront and other open spaces. To achieve this, the plan emphasises the importance of better green infrastructure such as open spaces, trees and waterways; sustainable transport options; energy-efficient buildings and water sensitive urban design.

A resilient city

Our heritage assets, infrastructure networks and neighbourhoods all need to be managed to minimise the risk of damage from natural hazards, such as earthquakes, and the effects of climate change. This plan supports our continued leadership in identifying earthquake-prone buildings, planning for emergencies and preparing for climate change.

1.0 INTRODUCTION

Context

Wellington continues to grow as more people make the city their home, attracted by work opportunities, lifestyle and culture, high quality services and the proximity to the harbour, hills and our other beautiful natural assets.

Just 15 years ago, only 170,000 people lived in the city. Today our population is just over 200,000. By 2043 the population is expected to grow to around 250,000.

Wellington is the nation's capital city and the region's centre of productivity and innovation. It is crucial that future growth and investment is concentrated in areas that benefit the city the most.

The Wellington Urban Growth Plan is the Council's tool for managing this growth. It updates, combines and replaces our 2006 Urban Development Strategy and Transport Strategy. This plan is consistent with the philosophies of the 2006 strategies in seeking to encourage growth in areas close to services, employment and good public transport.

Purpose

The purpose of this plan is to guide the Council's decisions that relate to planning, growth, land use, housing, transport and infrastructure. It also helps to achieve the goals identified in our other key strategies, contributing to decision-making on economic development, public spaces, community character, the natural environment and recreation.

The objectives of the plan are to:

- Direct new growth to suitable areas to maintain the city's compactness, liveability and natural setting.
- Ensure development occurs close to employment, services, and public and other transport links. This will continue to encourage active modes and the use of public transport, and reduce pressure on our resources and infrastructure. We expect most new development to occur along the 'growth spine' from Johnsonville through the central city to Adelaide Road and Kilbirnie.
- Improve the resilience of the city against the risk of natural hazards and climate change.
- Ensure urban growth contributes to the city's economic, social and environmental success.
- Help target the Council's investment on priority projects.

Key outcomes

The plan seeks to deliver the following key outcomes:

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A resilient city

Our heritage assets, coastal areas, infrastructure networks and neighbourhoods all need to be managed to minimise the risk of damage from natural hazards, such as earthquakes, and the effects of climate change. This plan supports our continued leadership in identifying earthquake-prone buildings, planning for emergencies and preparing for climate change.



Liveable city: Cyclists, pedestrians, cars and buses all use the CBD.

Where do our population projections come from?

Throughout the plan, the Council has used information from a number of sources. A key source is Informed Decisions (ID). ID is a group of professional demographers, spatial analysts, urban planners, forecasters and IT experts who focus on New Zealand and Australian cities and their people. In Wellington's case, ID has provided demographic census analysis and forecasting based on the 2006 and 2013 censuses information.

ID works with the Council to look at the current and evolving policies and strategies affecting development, as well as resource consents. ID also works with local developers, property owners, real estate agents and others who can offer additional information to assist in accurate forecasting. This detailed analysis of development combines with demographic and census studies of Wellington City, Wellington Region and New Zealand.

This model, which combines a 'ground-up' and a 'top-down' approach, produces a more refined forecast for Wellington's next 30 years than census projections alone. While these are the best demographic forecasts available for the city's next

30 years, it is possible for growth to accelerate depending on the implementation and the success of specific projects outlined in the plan as well as external events.

Where does the Wellington Urban Growth Plan fit?

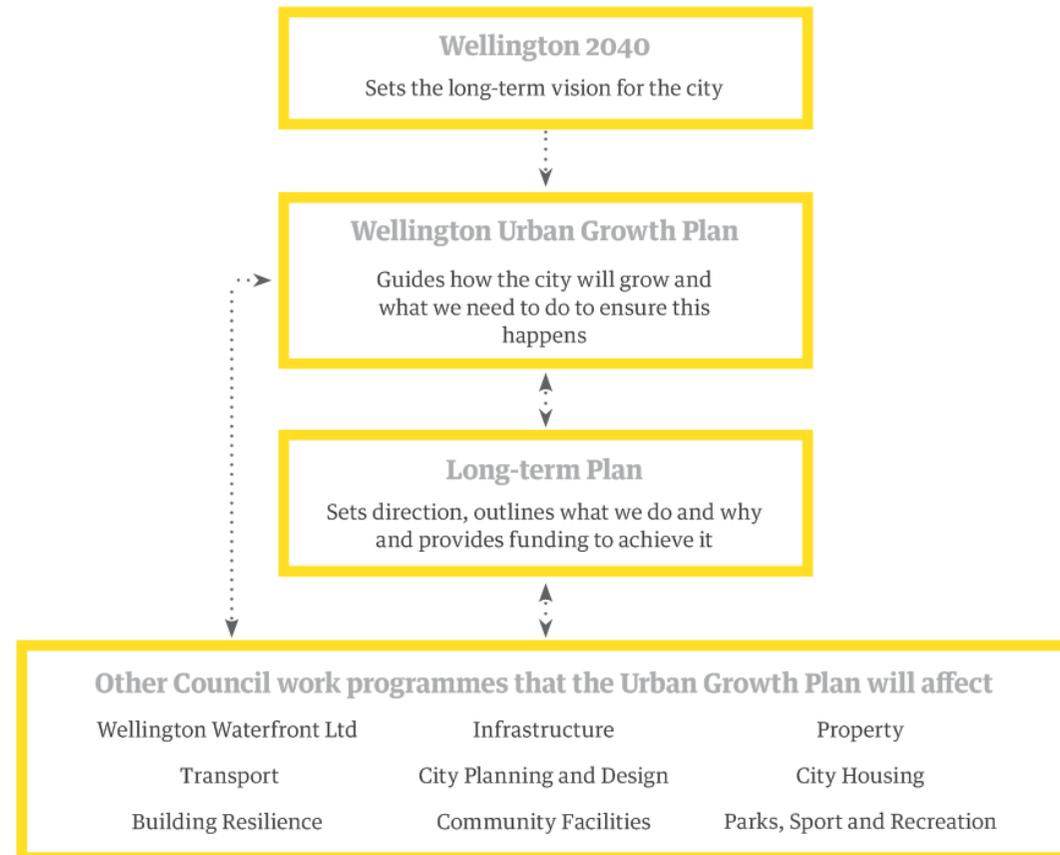
The plan helps to achieve our long-term vision for the city, Wellington Towards 2040: Smart Capital.

It also contributes to the implementation of a number of existing Council policies and action plans including:

- Accessible Wellington Action Plan
- Adelaide Road Framework
- Biodiversity Action Plan (under review)
- Business Improvement District Policy
- Centres Policy
- Central City Framework
- Climate Change Action Plan
- Community Facilities Policy
- Cycling Policy
- Development Contributions Policy
- District Plan
- Earthquake-prone Buildings Policy
- Greening Central Wellington
- Heritage Policy
- Jan Gehl Report: City to Waterfront Public Spaces study
- Johnsonville Town Centre Plan
- Kilbirnie Town Centre Revitalisation Plan
- Newlands Centre Plan
- Ngauranga to Airport Corridor Plan
- Northern Growth Management Framework
- Open Space Access Plan
- Our Capital Spaces
- Parking Policy
- Public Space Design Policy
- Walking Policy
- Waterfront Framework.

The priorities and projects identified in this plan will help inform our Long-term Plan.

The following diagram shows how this plan fits within the Council's strategic framework.



2.0 THE CITY NOW AND BY 2043

Wellington residents enjoy a high quality of life. The city leads the country on measures of social wellbeing, environment and community strength.

On top of being the political capital, the city is also known as the creative industries and arts capital with museums, theatres, high-tech firms and cafes all within easy reach of natural attractions such as the harbour and native bush walks.

The central city is vibrant, attractive and compact, making it easy to get around without a car.

This plan ensures future urban growth and change reinforce the physical and spatial characteristics that make Wellington special. It also ensures the city will continue to provide a high-quality urban environment that contributes to the stimulating urban experience Wellington offers.

Regional context

Wellington is the largest of a number of closely linked cities and districts that make up the Wellington region. The region overall is home to almost 500,000 people with the city accounting for 41 percent of the total. The region has the highest proportion of working-age population and the highest median income in the country.

The city is the economic, cultural and education epicentre of the Wellington region. Wellington businesses rely on the region for its workforce, with more than 30 percent¹ of city workers living outside of the city. Many businesses also rely on the region for customers. Our universities attract people from the whole region, as do our museums, theatres, arts festivals and sporting events. This close relationship between the city and region influences decisions about public transport and roads, as well as investment decisions by institutions and the private sector. This relationship is set to continue well into the future.

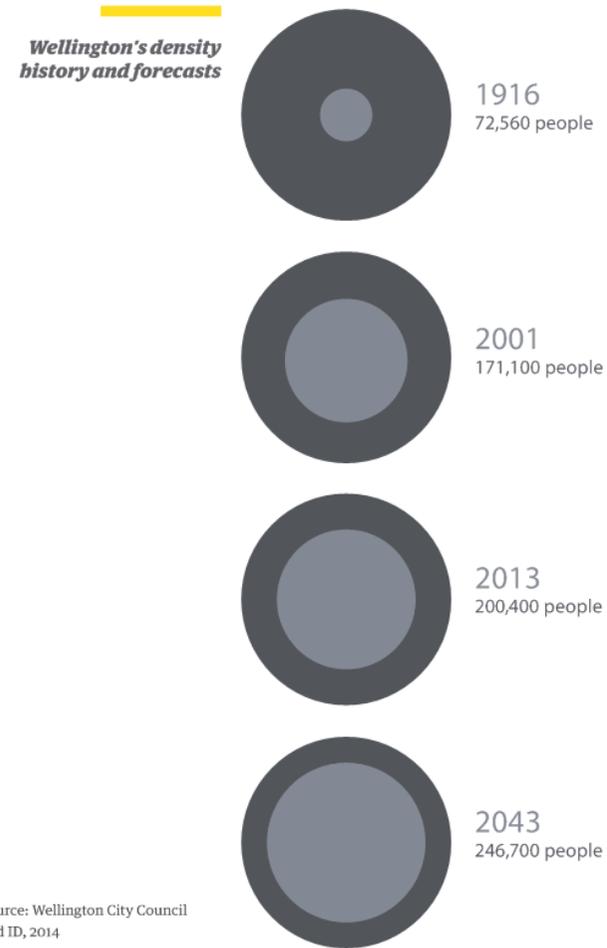
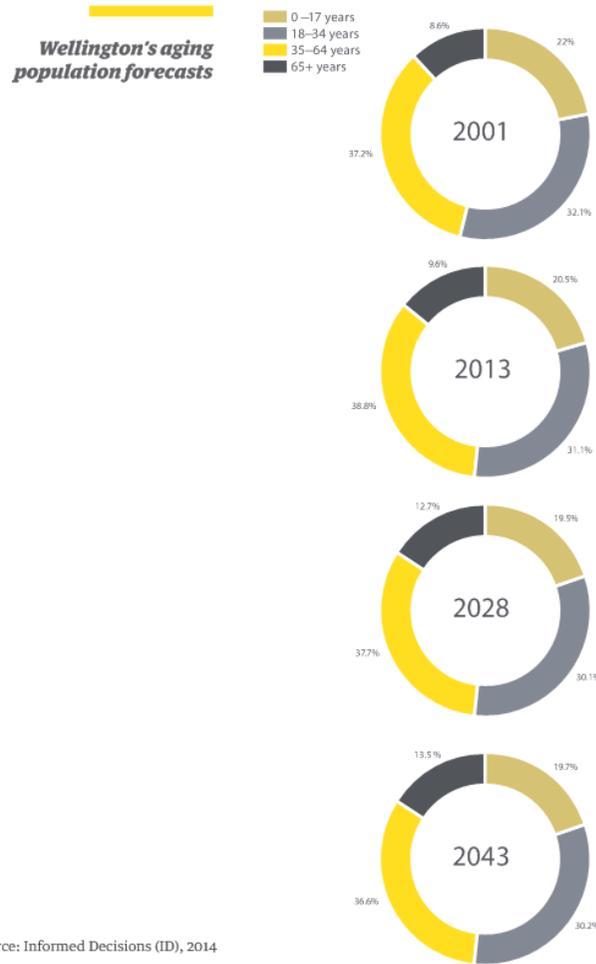
¹ Informed Decisions (ID), 2014

Population and growth

The city population was 200,400 in 2013, and is forecast to grow by almost 50,000 in the next 30 years¹. The drivers for growth are Wellington's diverse economy and liveability, which attracts people from other parts of New Zealand and the world. There is expected to be significant ongoing growth in the number of tertiary education students as well as older people.

Population growth and changing demographics will have significant implications for the city's land-use patterns, and transport and infrastructure investment.

Wellington is an appealing destination for young adults and students, who are attracted to a city with strong educational and employment opportunities and desirable lifestyle and entertainment qualities. This contributes to the city's residents having higher rates of educational achievement compared with regional and national figures.

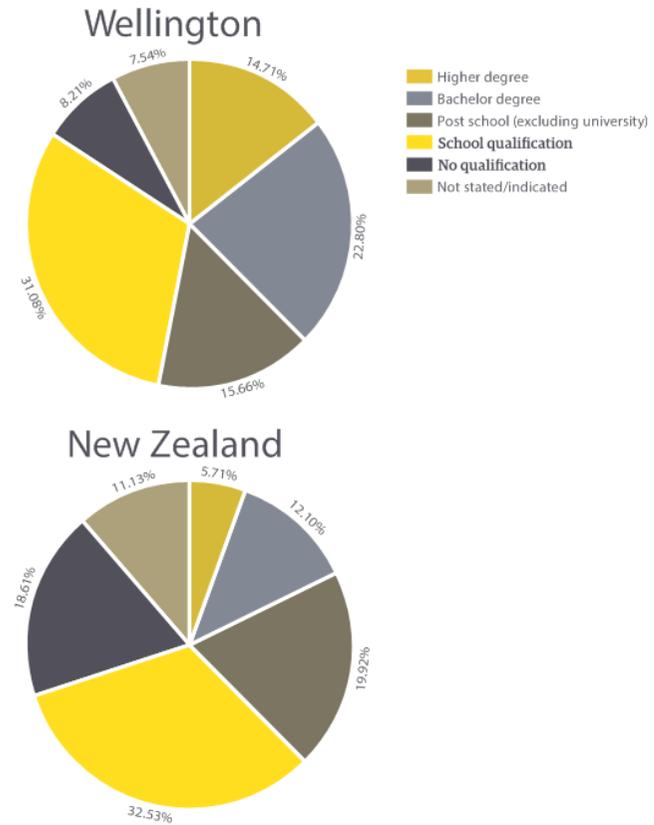


Wellington and New Zealand qualifications

The city will undergo a shift as our population ages. By 2043, 13.5 percent of city residents will be over 65, compared with 9.6 percent now¹. This will have an impact on our housing, transport, social service needs, and economy.

The population and growth by 2043:

- The city's population is expected to increase to around 250,000¹, with growth directed to maximise benefits to the city.
- The population in the central city area, which grew by almost 100 percent between 2001 and 2013, is expected to increase further by approximately 84 percent - from 18,019 in 2013 to 33,150 in 2043¹.
- Wellington's population growth and diversity will foster the city's vibrancy, the creation of accessible employment opportunities, and support continued investment in housing, transport and other infrastructure.



Source: ID, 2014

Housing

Quality and affordable housing is essential for the wellbeing of our families, communities and a successful city. The challenge for Wellington as a city is one of choice - continuing to offer a variety of housing options, suitable for residents and families of all types and ages, within the bounds of our compact city.

The city's projected population growth will result in the need for an additional 21,400 residential dwellings by 2043 (approximately 715 new homes per year)¹. The inner city and adjoining areas will continue to attract the majority of renters, rental investors and young non-family households, while the majority of families wanting to buy will seek affordable options in the suburbs. An aging population will increase demand for age-appropriate housing choices (often smaller, low-maintenance housing that is close to services)

within people's local suburbs. This movement could help free up more housing choices for families.

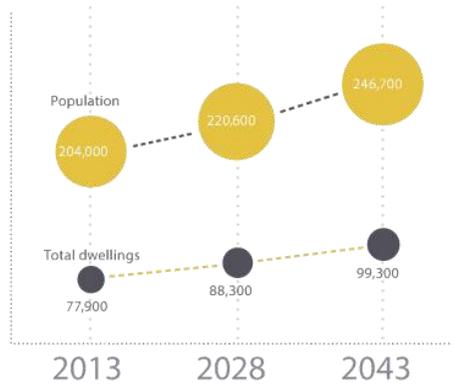
Since 2007, there have been more new central city apartments, medium-density (townhouse and smaller apartment complexes) and infill housing built, than traditional stand-alone (greenfield) housing. This trend is expected to continue and we expect 25 percent of new housing to be low-density; 35 percent medium-density; and 40 percent high-density.

The aim of this plan is to see most of the growth over the next 30 years occurring in the central city and along the growth spine. Greenfield development areas (mainly in the northern suburbs beyond Johnsonville) will provide for the expected demand for new single detached homes.

The city's housing by 2043 - what we plan to happen:

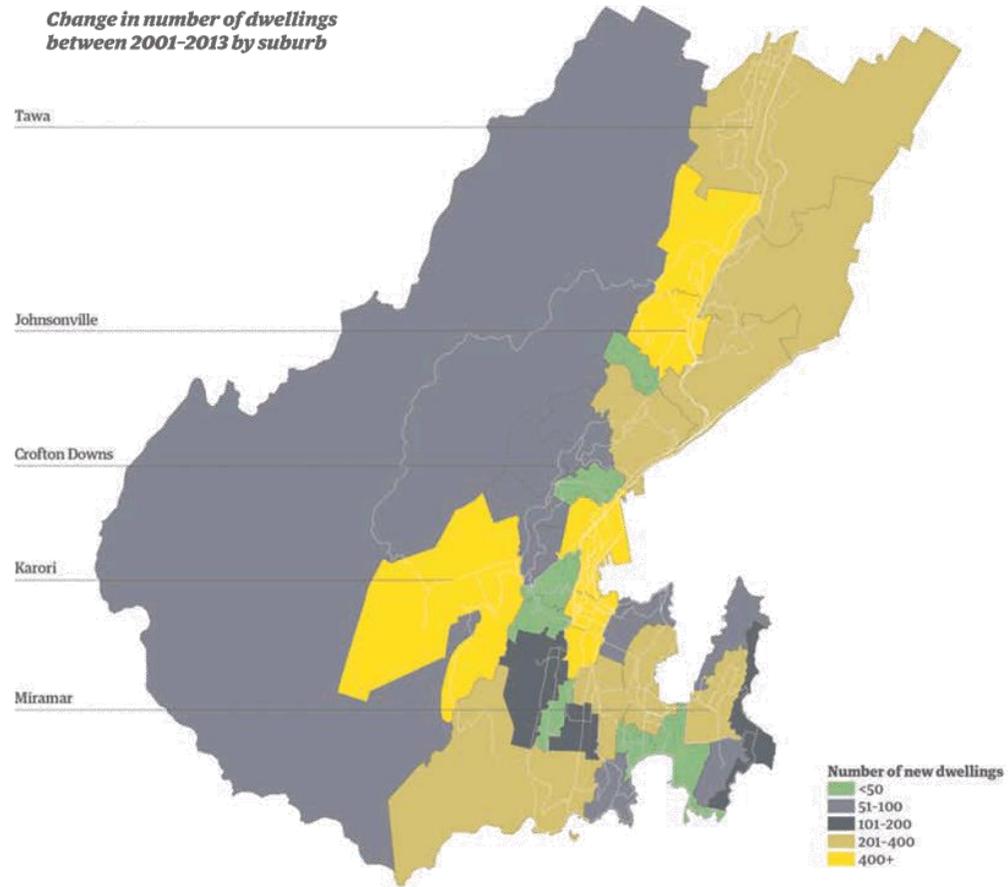
- Residential development forecasts show the number of dwellings in the central area (Wellington Central, Te Aro, Pipitea and Thorndon) will grow approximately 88 percent in the 30 years from 2013 to 2043 - from 8,263 dwellings to 15,573 - at an average of 244 dwellings a year¹.
- The city will stay compact with continued central city apartment development and an increasing stock of quality medium-density housing options in areas near the city centre and in key suburban centres.
- There will be a wide range of quality housing options that meet the needs of the city's diverse population.
- This plan's targets for new housing density types (low: 25 percent; medium: 35 percent; high: 40 percent) are met.

Increasing number of dwellings and people in Wellington



Source: ID, 2014

Change in number of dwellings between 2001-2013 by suburb



Source: ID, 2014

Natural environment and sustainability

Wellington's unique natural environment is critically important to the city's liveability and attractiveness. Its landscape, ecological and recreational values support healthy, active communities. This plan acknowledges the value of our closeness and connection to nature, how this makes Wellington unique, and aims to maximise the benefits of this setting.

One of the best ways of doing this is to keep the city compact by containing development within the city's existing urban limits. This plan supports the protection of natural features from the impacts of development; enhancement of the city's green infrastructure (eg parks, open spaces, landscaped areas); reducing the city's carbon footprint; and ensuring quality open spaces and recreation opportunities in key locations. In doing this, Wellington will enhance its attractive lifestyle and ability to compete globally for visitors, talented workers and events.

This plan supports greenhouse gas emissions-reduction targets that have been set in our Climate Change Action Plan (2013). The targets are for the city to decrease emissions by 30 percent by 2020, and by 80 percent by 2050, while the Council decreases emissions 40 percent by 2020 and 80 percent by 2050.

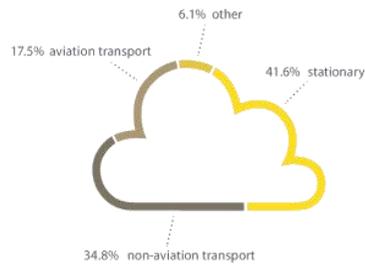
Our natural environment and sustainability by 2043 - what we plan to happen:

- Our investment in the natural environment and parks keeps pace with the city's population growth, intensification in existing urban areas, and new housing development in greenfield locations.
- The Outer Green Belt is completed, the harbour escarpment and parts of Watts Peninsula (Miramar) are protected and included in our reserves network, and there are more parks and green areas within the central city.

- Our network of open spaces, parks and reserves, the waterfront, harbour and coastline continue to be highly valued by residents and are easily accessible.
- Nature and natural systems are a fundamental part of the city. Indigenous biodiversity is protected and restored. There are more green buildings and an established green infrastructure network across the city.
- The natural environment is an integral part of the city's sense of place, and provides a range of economic, social and health benefits.
- The environmental impacts of urban development and transport are minimised and new buildings and subdivisions embody sustainable, low-impact urban development principles.
- The city's compact form, our high levels of walking, cycling and public transport use, and the increasing stock of energy efficient, low-carbon buildings help reduce our carbon emissions.

Low carbon footprint

5.8 tonnes
of greenhouse gas emissions in Wellington per person.
The city's emissions are:



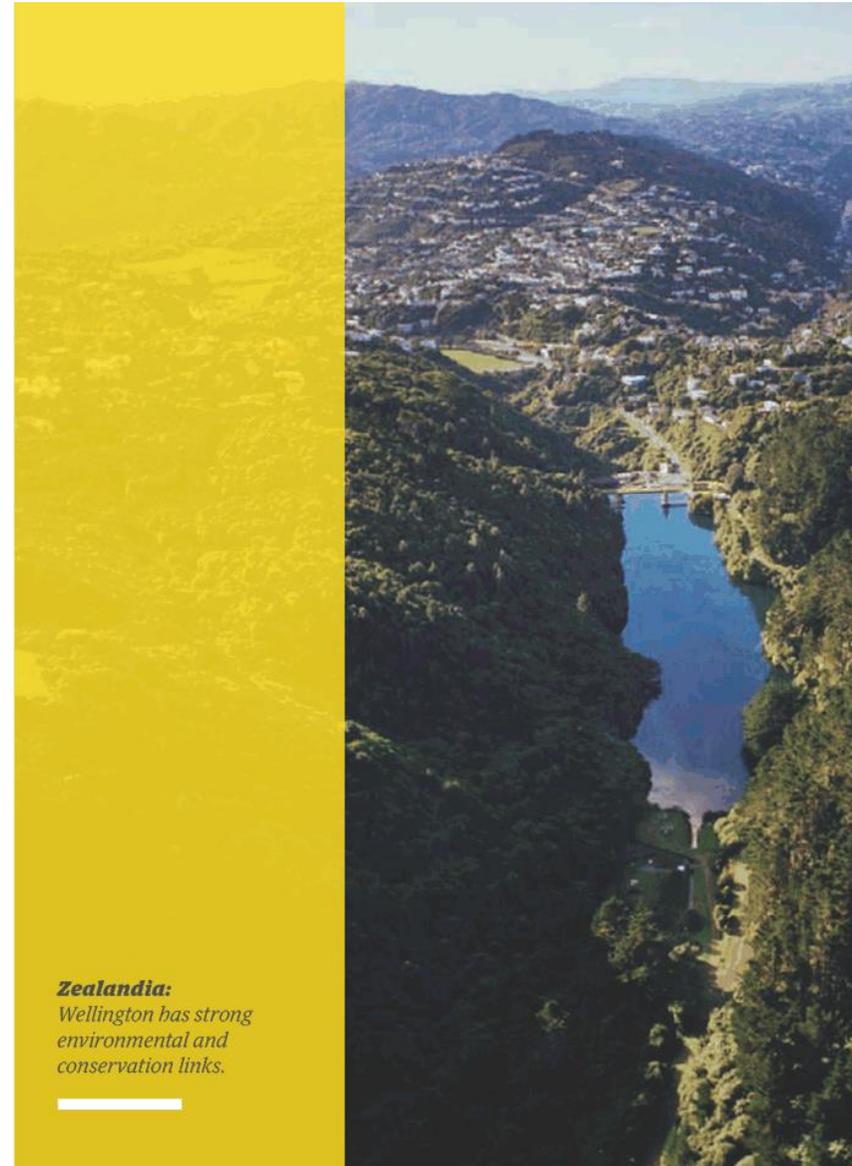
* Stationary uses are home and business uses not associated with transport

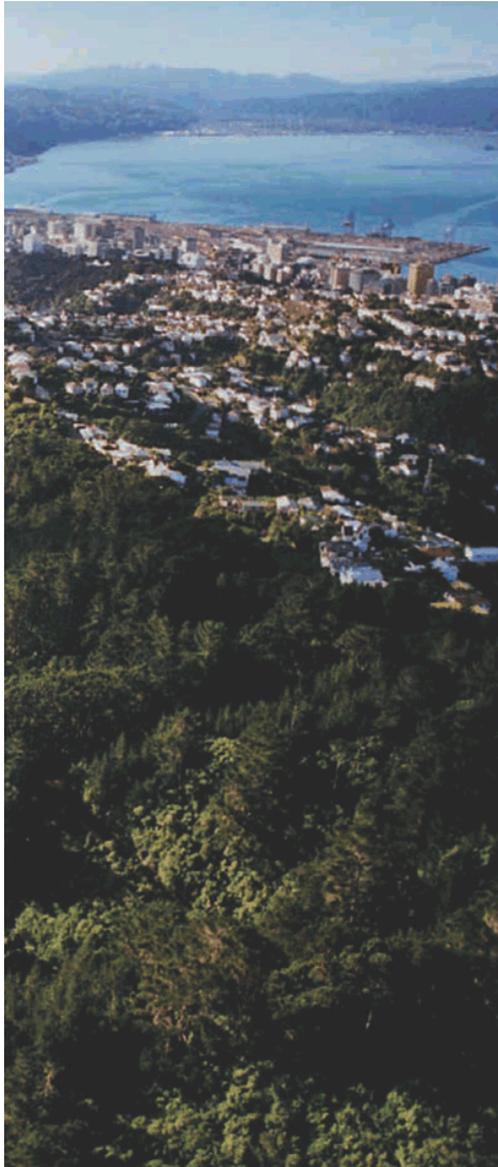
Source: Climate Change Action Plan, 2013, Wellington City Council

Open space network



Source: Our Capital Spaces, 2013, Wellington City Council





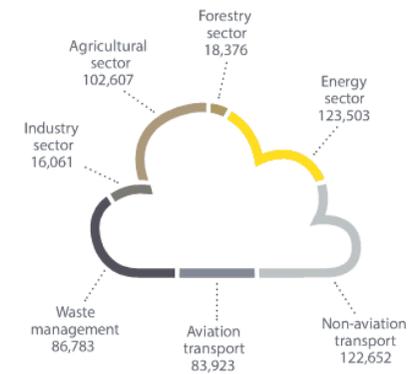
Tonnes of CO2 emissions Wellington region



The reduction between the emissions expected and aim is 553,905 tonnes of CO2 emissions.

* The 'High ambition' aim is not a Council policy, but a possible projection for the region. The Council can look to this as an example of how it could achieve its own, and the city's, emissions-reduction targets.

Projected CO2 emission reduction by sector



Source: Wellington Region Greenhouse Gas Emissions Projections, URS, 2014 for Wellington City Council

City resilience

Earthquakes are the biggest natural hazard risk and pose significant resilience challenges for Wellington with the city straddling several active fault lines. Wellington is also vulnerable to a range of other natural hazards and climate change related risks. These include severe storms, flooding, landslides, tsunami and sea-level rise. Some hazards are immediate, while others (like sea-level rise) require long-range planning.

In recognition of this, the Council has for the last 20 years invested significantly in strengthening infrastructure and leads the country in ensuring we have a resilient building stock. We have undertaken earthquake resilience assessments for all pre-1976 buildings and continue to work actively with building owners to ensure that buildings are strengthened. We have also pioneered work with

key lifeline organisations and with communities to build disaster preparedness.

The need to increase our resilience will be a key influence on the planning and infrastructure investment decisions the Council makes over the next 30 years. Climate change impacts and the predictions of more severe weather events and sea-level rise will have ramifications, particularly for low-lying coastal urban areas.

We will spend a considerable amount on making the city more resilient to earthquakes. This includes strengthening our earthquake-prone buildings in the central city and suburban centres. Our physical infrastructure lifelines (transport, water, wastewater, power supply) will be particularly important, as well as ensuring our social infrastructure is protected.

The city's resilience by 2043 - what we plan to happen:

- Ongoing investment in buildings and key infrastructure, and the adoption of new urban development approaches and technologies mean the city's buildings and transport network is increasingly resilient to natural hazards and the impacts of climate change.
- Land use and development in areas most at risk from the impacts of natural hazards and climate change is managed to minimise the risks to people and property.
- The completed Roads of National Significance projects improve access to and from the city in case of emergency.

Item 3.1 Attachment 1



Earthquake strengthened:
Ombra on Cuba Street.

Transport and movement

Having a high-quality transport system is key to Wellington's economic, environmental and social success and must be considered in an integrated way.

Wellington is relatively well-placed to face the transport challenges of the next 50 years. The city is compact, many people work in the central city, and we have a comparatively young, educated population who have demonstrated they are open to change. We have a good public transport system, and car ownership is relatively low by national standards. Walking as a transport mode is very high (17 percent of journeys to work)¹ by national and international standards. There has also been a large recent rise in the number of people cycling despite a lack of supporting infrastructure, with a 73 percent increase in residents cycling to work¹.

Wellington continues to move towards being a more sustainable city, supported by our changing transport choices. This plan recognises the important role our public transport system plays in moving people to (from the wider region) and

around the city. It also recognises the planned transport improvements that are being made across the city, and the opportunities for emerging technologies such as electric vehicles. Capitalising on these investments, as well as fostering the development of active modes - walking and cycling - will be key to the city's future success.

Our transport network by 2043 - what we plan to happen:

- The bus priority network is implemented.
- The proportion of people walking and cycling continues to increase supported by a comprehensive cycling network and ongoing improvements to pedestrian access.
- There is ongoing reduction in the number of pedestrian and cycle injuries.
-
- The Great Harbour Way provides cyclists with a continuous cycle route from Lower Hutt to the city.

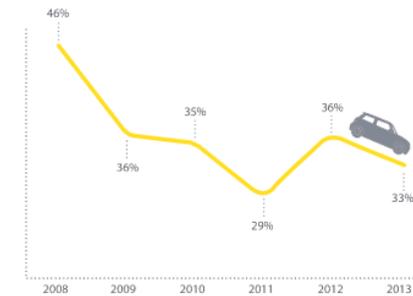
- Our network of parks and open spaces is an integral part of the commuters' network for walking and cycling.
- The Wellington Roads of National Significance projects are completed in a way that maximises benefits to the city by freeing up local road space for public transport, cycling, walking and local vehicular movements. Projects within the city include Transmission Gully, Ngauranga to Aotea Quay traffic management improvements, Terrace Tunnel duplication, Tunnel to Tunnel improvements, and Airport to Mt Victoria Tunnel (including Mt Victoria Tunnel duplication).
- The road network provides good access to the port, the airport and for freight.
- The public transport system uses low-carbon technologies and there is a significant number of private electric vehicles on the roads.

Decreasing fuel usage in Wellington



Source: Sales data submitted to Wellington City Council, 2014

Wellington City residents who take a car into the CBD



Source: Wellington City Council Residents Monitoring Survey, 2013

Wellington City residents commuting to the CBD per week (2013)



Source: ID, 2014

Infrastructure

Infrastructure underpins everything the city does. Having high-quality, reliable infrastructure is critical to our economic, social, environmental and cultural wellbeing and is fundamental to Wellington being a successful city. It is also the biggest area of Council spending. It is therefore important for this investment to provide value to ratepayers and maximise benefits to the city.

The city's projected population growth, and new housing and commercial development over the next 30 years, will require new and upgraded infrastructure. A significant advantage of being a compact city is that infrastructure is cheaper to provide and operate than in more spread out cities. In the northern greenfield areas where there is little or no existing infrastructure; developers will fund the necessary works. Existing infrastructure in urban areas also requires continual upgrade and renewal, particularly in areas where development is planned and more people will be living or working.

The growing frequency of natural hazards will also place increasing pressure on infrastructure, both to withstand the actual event (for example, earthquakes and storms), as well as being able to return to operation quickly after an event. Targeting investment to ensure resilience of critical infrastructure will be a key focus.

The infrastructure by 2043 - what we plan to happen:

- The resilience of the city's infrastructure increases through targeted investment in strategic locations and critical networks.
- Our investment in public infrastructure keeps pace with the city's population growth and new housing development (especially along the growth spine, other suburban growth areas and in greenfield growth areas).
- We work collaboratively with utilities providers to coordinate growth and its impact on effective service supply.

Economy and employment

How the city develops - its urban form - is a critical factor in maximising economic potential. Our compact layout, central city density and close proximity to major commercial centres - coupled with high-quality transport links (including sea and air connections) - provide a distinct competitive advantage for Wellington.

How we plan for and manage growth through this plan will help maximise economic benefits, whilst also ensuring environmental and social benefits. Ensuring the efficient use of land and providing development capacity in the right locations are central to this goal.

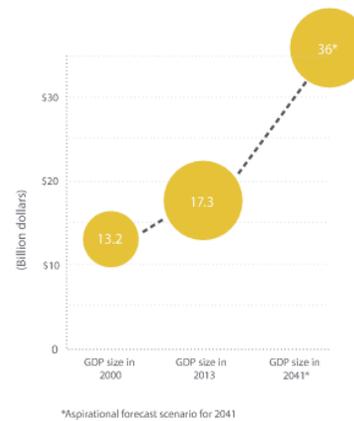
Wellington is the economic heart of the region, generating around two-thirds of the region's gross domestic product (GDP), much of it in the geographically small area of the CBD. As such, much of the city's employment is clustered in the central city.

The city's projected population growth will help support economic development and the creation of employment opportunities. This plan identifies investment priorities in key locations to stimulate growth.

Our economy and employment by 2043 - what we plan to happen:

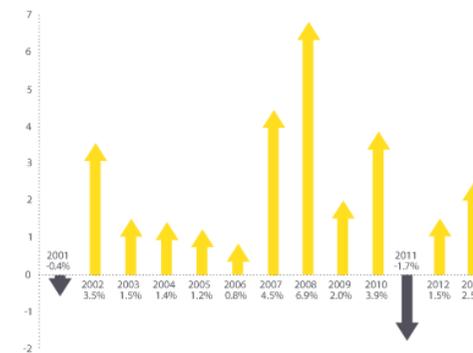
- The Council's approach to managing growth and development ensures the immediate and long-term economic vitality of the city.
- The central city continues to be the economic, social and cultural hub of the city and wider region.
- The city's suburban centres and other business areas help support economic growth.

GDP size



Source: Infometrics, 2013 and BERL Economics, 2014

GDP growth rate per year



Source: Infometrics, 2013

Māori heritage and partnership

Māori whānau, hāpu and iwi are an important part of the city's history and unique identity. They are also important partners in delivering on the long-term cultural, social, economic, and environmental wellbeing of the city.

It is important that the heritage of tangata whenua, Māori culture and traditions are protected and incorporated into the development of the city through the actions identified in this plan.

Māori heritage and partnership by 2043 - what we plan to happen:

- Iwi are involved in the development of the city and work in partnerships with the Council and others to help deliver on actions and projects.
- Sites of historical importance to Māori are identified and acknowledged.
- Public spaces, buildings, artworks and events provide opportunities to reflect the city's relationship with Māori.
- The provisions of plans and policies such as the District Plan support the protection of Māori historic heritage, culture and traditions, and reflect the principles of Te Tiriti o Waitangi.

Historic heritage and character

Wellingtonians value highly the city's unique heritage and character. The city's rich and diverse historic heritage includes buildings and structures, sites, townscapes, streetscapes, landscapes and other historical places. We value them as features in the city's landscape and appreciate both their natural and human-made elements.

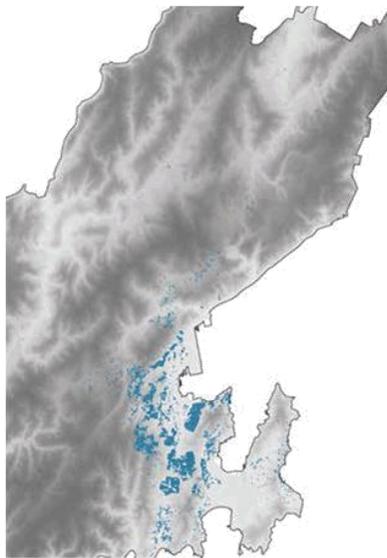
Wellington's built heritage is a precious and finite resource and is important in shaping the character of the central city and suburbs. It is part of what makes Wellington unique and attractive. Built heritage also plays a significant role within our economy: through direct employment; providing retail and commercial spaces; and as a focus for advertising and tourism.

The plan recognises the importance of protecting and enhancing elements that help give Wellington its sense of place - the compact, walkable nature of the city, its suburban villages, its heritage buildings and objects, character areas, and Māori heritage values and sites.

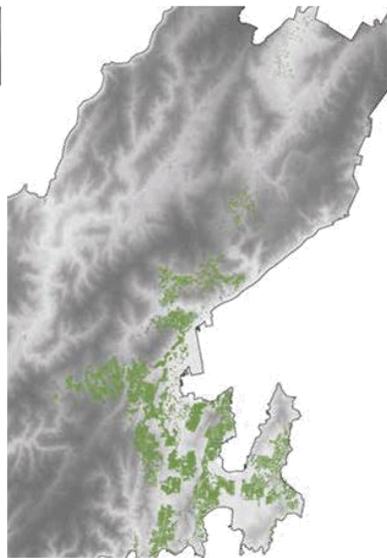
Our historic heritage and character by 2043 - what we plan to happen:

- Growth and development of the city values and enhances the key elements that form part of Wellington's unique identity and character.
- The legacy of the past is recognised through the appropriate identification, protection, conservation and use of the city's significant cultural and historic heritage.
- All current earthquake-prone heritage buildings have had their earthquake-prone status resolved through investment in strengthening and sensitive redevelopment.
- We continue to protect and enhance the special character of our suburbs, particularly the highly valued existing character of our inner city suburbs such as Thorndon, Mt Victoria, Aro Valley, Newtown, Mt Cook and Berhampore.
- We support initiatives to build even greater 'sense of place' in Wellington's diverse communities.

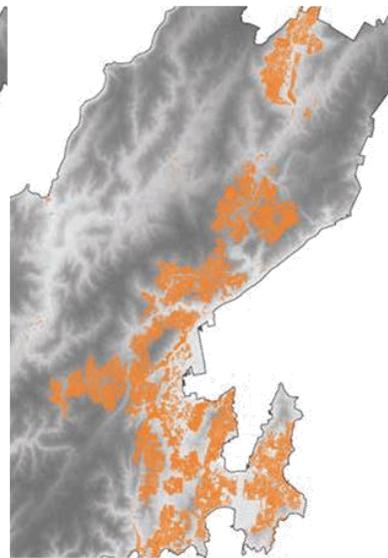
*Wellington's urban
growth over time*



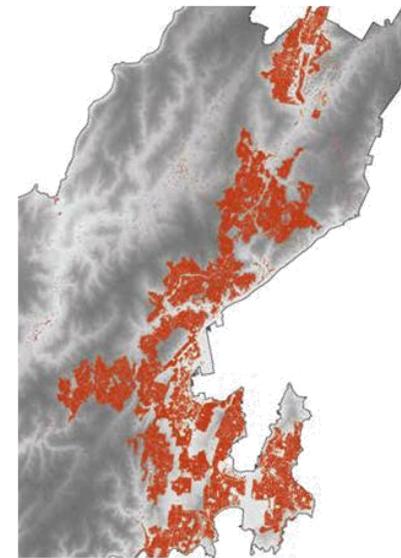
Development to 1900



Development to 1930



Development to 1970



Development to 2010

3.0 OUR ACTION PLAN

Our focus areas

This section sets out the Council's actions for specific components of the city - urban development, transport, infrastructure, and open spaces. The actions are grouped under the following six focus areas:

- transformational growth areas
- liveable and vibrant centres
- real transport choices
- housing supply and choice
- natural environment
- city resilience.

Each focus area outlines a series of opportunities, projects and actions seen as important in shaping the future growth and development of the city with particular emphasis on the next 10 years. These may apply citywide, or may be location specific, depending on the situation.

While some opportunities may relate to only one issue, often they will have multiple benefits. For example, areas such as investment in Victoria Street provide major opportunities for regeneration and residential growth, but are also beneficial in delivering improved public transport, cycling and walking.

A detailed implementation plan for these actions will be developed for consideration as part of our 2015-25 Long-term Plan.

Key actions

The following map describes the key components of the plan's overall approach. It builds on the concept of the 'growth spine' as the city's key development, transport and investment corridor. It also underlines the central city's role as the main economic, social and cultural hub of the region, and emphasises its capacity for further high-density apartment development and commercial growth.

The growth spine is anchored by Johnsonville and Kilbirnie town centres. These are Wellington's largest centres outside the central city, and have the ability to support more intensive residential and mixed-use development. The city's other suburban centres provide for a mix of residential, commercial, social and cultural activities, with more intensive types of housing encouraged in suburban locations with good supporting transport and other infrastructure. New greenfield residential growth is provided for in the city's northern growth areas.

Summary Plan
The Wellington Urban Growth Plan

The construction of the Petone to Grenada link road will help encourage development in the Lincolnshire Farm and Stebbings Valley as greenfield growth areas.

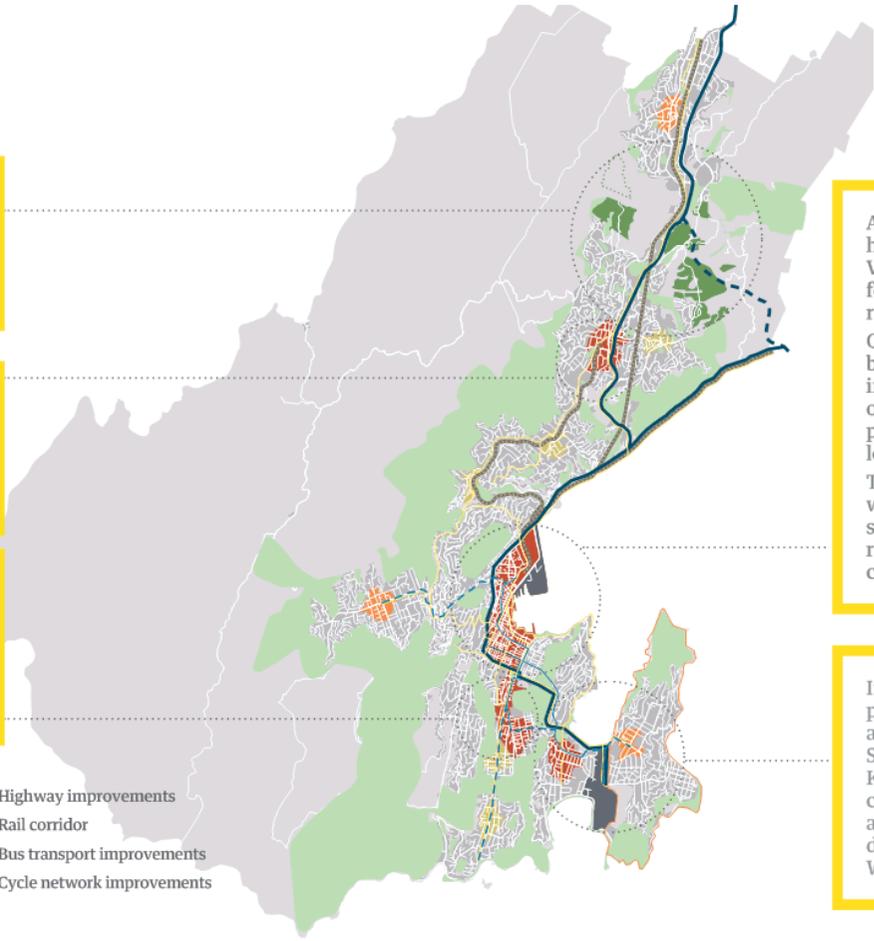
Johnsonville and the town centre will be a targeted regeneration area with major roading improvements and further medium-density housing.

The delivery of the public transport spine and cycle lanes will encourage development in the Adelaide Road area. Berhampore and Island Bay will be looked at as future growth areas.

A number of projects will happen in the CBD. The Victoria Street upgrade will be followed by improvements and regeneration in east Te Aro. Other precincts will also be targeted for investment, including the civic centre, our laneways and Parliamentary precinct. A Port Access Plan will look at improving port access. Transport improvements will include the public transport spine, safe cycle lanes and reviewing the efficiency of our city's one-way streets.

Investments will be made in public transport, cycle facilities and the airport precinct. Support and regeneration of Kilbirnie and Miramar town centres will continue as well as guidance on appropriate development for Shelly Bay and Watts Peninsula.

- Legend**
- Growth centres
 - Greenfield growth
 - Suburban centre planning
 - Investigation areas for growth
 - Highway improvements
 - Rail corridor
 - Bus transport improvements
 - Cycle network improvements



TRANSFORMATIONAL GROWTH AREAS

This focus area brings together the actions required to deliver positive urban development in locations suitable for growth. In identifying such locations, we take a number of factors into consideration, including:

- key transport infrastructure
- existing amenities and services
- existing community and educational facilities
- existing open space and recreational facilities
- the capacity of the existing utilities
- if change in the area will enhance the mix of home types and business uses available to the community.

Our approach builds on the previously identified growth spine, directing development towards

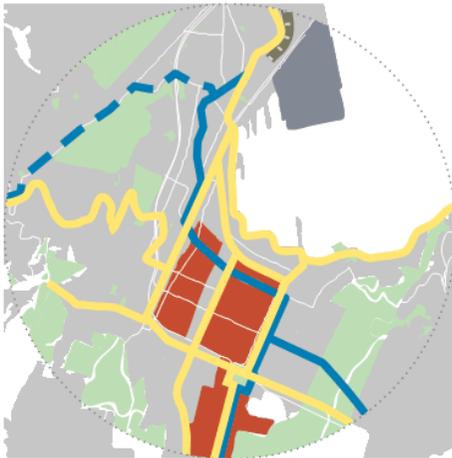
the central city, Adelaide Road, Johnsonville and Kilbirnie. The benefits of the growth spine approach include:

- improving the efficiency of infrastructure by locating more people in areas with existing high capacity
- retaining the character of residential areas that many people enjoy by directing increased density to selected locations
- providing opportunities for people to live closer to where they work, shop and access high-quality transport options
- concentrating investment into a smaller number of centres.

In addition to the growth spine, the plan provides a mix of development opportunities. This includes greenfield areas with significant capacity for development. It also includes supporting the important economic hubs around the port and the airport.

To transform some of the areas, we will need to work with external partners to co-invest and maximise the benefits to the city. We will also need to coordinate land use, transport improvements and investment in infrastructure to create the right conditions to generate economic and urban growth.

Transformational growth areas



Upper and Lower Stebbings

Lincolnshire Farm

Johnsonville

Port

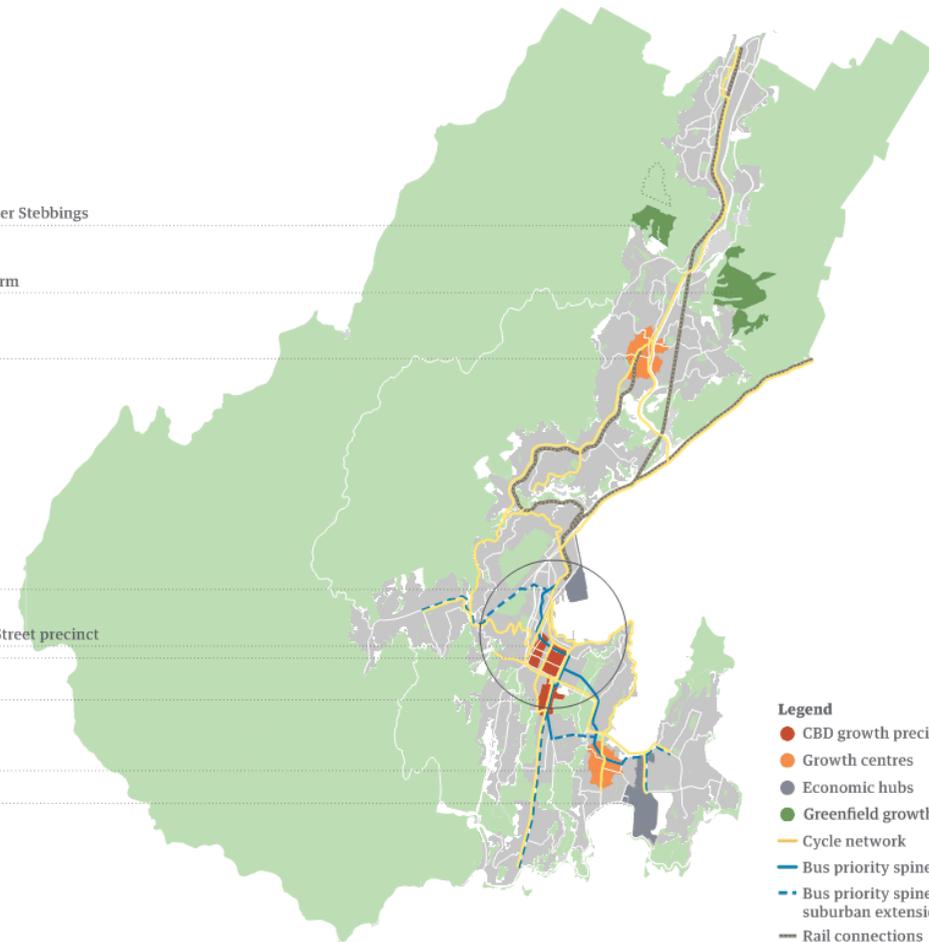
Victoria, Cuba Street precinct

East Te Aro

Adelaide Road

Kilbirnie

Airport



- Legend**
- CBD growth precincts
 - Growth centres
 - Economic hubs
 - Greenfield growth
 - Cycle network
 - Bus priority spine
 - - - Bus priority spine suburban extension
 - Rail connections

1. Activate the development of identified growth areas

To stimulate growth in the locations we have identified, the Council needs to target action and investment. To encourage development, we need to provide incentives, ensure supporting District Plan provisions, partner with others, and take a more active role in the development market.

Project	Actions
The Council will facilitate new development in identified growth areas.	<ul style="list-style-type: none"> • Deliver the Convention Centre - in partnership with others, to support our economic growth, increase vitality and improve the amenity and connectivity in this part of the central city. • Review our venues and identify opportunities for new facilities, such as whether a concert venue would benefit the city. • Identify opportunities for the Council Urban Regeneration Unit to deliver regeneration projects in growth areas. • Work in partnership with external parties to develop feasible proposals for specific sites that could act as catalysts for further change in growth areas. • Assess the provision of community, recreation and open space facilities in identified growth areas and address gaps as and when required. • Coordinate with other service providers (eg Ministry of Education) to ensure additional population is appropriately catered for. • Align investment in infrastructure with growth projections - we will develop and use modelling tools to understand current Council infrastructure (water, sewerage, drainage) condition and capacity, and future demand. These tools (eg economic yield analysis, infrastructure affordability index, hydraulic models) will help inform our investment and growth decisions. • Coordinate with utilities providers (eg Wellington Electricity Lines Ltd) to ensure sufficient capacity is provided to support growth. • Develop a strategic land acquisition plan to facilitate revitalisation priorities and to support the development of the city's transport network (particularly for public transport and cycling goals) and other facilities required to support population growth.
Adopt incentives to stimulate development - there are locations and types of development that we want to encourage more than others. We need to send the right signals to the development community to give them confidence.	<ul style="list-style-type: none"> • Review and update the Council's development contributions requirements to support the delivery of new development in key locations. • Continue and enhance funding assistance for earthquake-strengthening of buildings - this includes the existing Built Heritage Incentive Fund and rates remission for qualifying developments. We will also consider increased investment in priority heritage buildings and areas, as well as other measures. • Implement an 'open for business' approach when assessing development proposals (eg user-friendly and efficient processes). • Investigate alternative tools and mechanisms (eg planning and financial) that could help support implementation of this plan and its priorities.

Item 3.1 Attachment 1



Deliver central city regeneration projects - the central city will be the main focus area for more intensive residential and commercial developments.

- Commence delivery of the Victoria Street/Cuba Street regeneration area - this includes public space, public transport and cycling improvements in Victoria Street, improved connections to Cuba Street, coordination with developers to implement new buildings in this precinct and supporting the earthquake strengthening of buildings in the Cuba Street heritage area.
- Continue planning for the east Te Aro regeneration area - Kent and Cambridge Terraces will undergo significant change due to investment by the New Zealand Transport Agency (NZTA) and Greater Wellington Regional Council (GWRC) in relation to State Highway 1 improvements and delivery of the bus rapid transit network. We will continue to partner with NZTA and GWRC to maximise the opportunities and future investments relating to roading and public transport in this area. We will use our Urban Regeneration Unit to identify and deliver regeneration opportunities in this location.
- Develop a programme to regenerate the Civic Centre - this will include Mercer Street, Ilott Green and specific development opportunities in relation to the Michael Fowler Centre car park, the James Smith parking building, former GWRC building and other sites that have structural issues. It will also include improving Lower Cuba Street.
- Work with others, such as utilities providers, and coordinate investment in regeneration areas.

Deliver the vision for Adelaide Road - the Council undertook significant engagement with the community in 2008 on the Adelaide Road Framework. Adelaide Road is an area that supports the Wellington Regional Hospital, is an important retail and commercial centre for the city, and can accommodate more residential development to make Newtown and Mt Cook more vibrant and economically successful. Coupled with this, it is a major transport route and as the southern suburbs grow, we need to provide better facilities for walking, cycling and public transport.

- Deliver the Adelaide Road Framework ensuring new development and street improvements are integrated with roading, public transport and cycle route improvements.
- Align the timing of Council investment in this area under the Long-term Plan with construction/mitigation works at the Basin Reserve and on the public transport spine.
- Work with partners to secure the transport corridor (includes land purchase and corridor designation), and help to facilitate the development of catalyst sites.

Stimulate development in sub-regional centres (Johnsonville and Kilbirnie) - these have an important role to play in providing communities with the goods and services they need close to where they live. They also offer opportunities for wider housing options in close proximity to public transport hubs.

- Enable regeneration of Johnsonville town centre - this includes completion of transport and community facility improvements; bus and rail interchange improvements to facilitate mass movement of people; improved cycling infrastructure to support sustainable transport choices; public space development to support intensification; encouraging town centre densification and the mall redevelopment. Work with private partners to determine the development potential of these sites.
- Enable regeneration of Kilbirnie town centre - this includes development of public transport facilities/hub; public space improvements; development of the community walkway/cycleway and improved cycling infrastructure; and opportunities such as the Bus Barns redevelopment, and a mid-block link from Bay Road to Onepu Road. Work with private partners to determine the development potential of these sites.

Support the development of greenfield areas in the northern suburbs that have already been identified for growth.

- Northern Wellington Growth Plan- support the implementation of the structure plan for Lincolnshire Farm. Work with other infrastructure asset owners such as NZTA and with landowners to integrate the proposed Petone to Grenada link road with the future neighbourhood centre, business area and residential development. Explore opportunities for the area that offer more sustainable housing and job opportunities. The initial study will test the feasibility of attracting green industry to locate in Wellington as part of our long-term, sustainable economic diversification agenda. An outcome from this study might be further work to develop an ‘eco-town’. Plan for the development of lower and upper Stebbings Valley - develop a structure plan for inclusion in the District Plan to guide development and infrastructure requirements. The plan will include the location of main road corridors, including a potential road connection to Tawa; main areas of open space, and a connection to the Te Araroa walkway. It will also complete the Outer Green Belt and protect waterways, significant indigenous vegetation and Marshall Ridge.
- Review design guides and District Plan provisions as necessary to ensure high-quality development occurs in the greenfield areas.

2. Support the development of the port and the airport as economic hubs

This action area is about recognising the port and airport as critical city infrastructure and supporting their development as key economic hubs for the city.

Project	Actions
Airport precinct - the combination of predicted ongoing airport growth and the proposed runway extension presents opportunities for business and employment in and around the airport. There is also the opportunity to improve transport connections to and from the airport.	<ul style="list-style-type: none"> • Improve transport connections to the airport - work with the airport, NZTA, GWRC and other partners to ensure efficient transport connections to the airport. This includes investigation of an extension of the rapid transit network spine to the airport, and improvements for private vehicles, freight, pedestrian and cycle movements. • Plan for future growth - work with the airport and key partners on measures to improve the city’s international air connections; contribute to the master-planning revision; and identify opportunities for the Council to assist development.
Port precinct - this large area includes major city infrastructure - the port, the Westpac Stadium and the railway station. The port is expected to continue to grow, which will require upgrades to access and rail/road freight distribution systems.	<ul style="list-style-type: none"> • Contribute to the Port Access Plan - work with Centreport, Kiwi Rail, NZTA, GWRC and freight operators to improve state highway connections and port access points and facilitate high-quality walking and cycling access from the existing passenger terminal to the Hutt Road/Ferry Terminal/Great Harbour Way. • Develop a Port Precinct Plan that focuses on improving connections between the precinct and the central city; maintaining the integrity of port functions (eg moving freight, an industrial and freight logistics hub, a gateway for the city and visitors on ferries and cruise liners, and access to the stadium); and resilience. • Understand the movement of urban freight - work with NZTA and stakeholders to study the value of freight movement through the city and its impact. This will identify the freight levels in the city and how efficiencies could be maximised. • Address impacts of port area office development on the central city - there has been concern that further port area office developments could adversely affect the vitality of the central city. We will work to ensure that this is not exacerbated.

LIVEABLE AND VIBRANT CENTRES

We want to make sure that we are creating a good platform for communities to develop on, especially in areas where growth is planned. This means ensuring that our centres are attractive, accessible and convenient, leading to more people spending time in them, which in turn makes them more economically and socially successful.

Centres such as Johnsonville, Kilbirnie, Newtown, Miramar, Tawa and Karori provide a place for local communities to shop, access services and socialise. We need to ensure the areas already earmarked for medium-density housing and the main streets in and around these centres are attractive and ready to support that growth.

With more people expected to live in the central city, we need to improve the quality of the streets and places where residential growth is going to occur. For example, the city boulevards such as Victoria Street, Taranaki Street and Kent and Cambridge terraces have the capacity to take most of the central city's growth but require improvement to make them places where people would want to live and work.



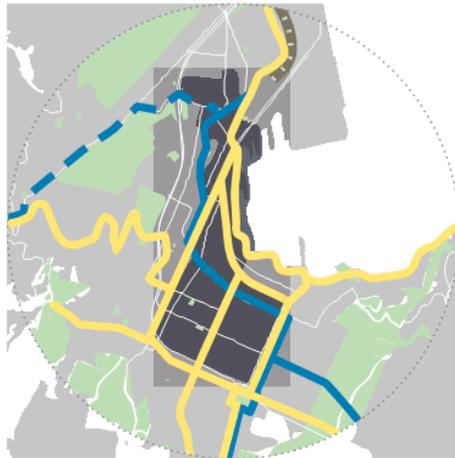
Culture in the capital:
Roxy cinema in Miramar.

1. Deliver improvements in the central city and key centres

We will make improvements in areas planned for growth to ensure their success and their ability to act as a catalyst for other revitalisation opportunities. As well as Council-led improvements, this action area includes taking opportunities to work alongside and/or co-invest with partners to maximise the benefits for the city.

Project	Actions
Continue to deliver on planned central city improvement programmes - this will support the regeneration areas identified (see Transformational Growth Areas) and reinforce the value of the central city as a place for events, celebrations and recreation, but most of all to live and work. Delivering these improvements will encourage other development and bring private sector investment to the city.	<ul style="list-style-type: none"> Complete the development of the waterfront - this includes completing the development of North Kumutoto and adjoining open spaces; the completion of Frank Kitts Park and Queens Wharf areas; and continuing to improve pedestrian and cycle connections between the city and the waterfront. We consider Frank Kitts Park should be a premier recreation area for the city, particularly for children. Continue the laneways improvement programme - investment will be targeted at areas where pedestrian potential is the highest and where the lanes provide for small businesses at ground level. Use improvements to central city laneways to encourage private investment. Parliamentary precinct/North Lambton Quay - work with partners to enhance the important economic and social role the Parliament buildings and government sector play in Wellington. Work with central government on its office review programme and identify enhancement opportunities. This will also include facilitating private sector development in the precinct to encourage greater variety in the mix of uses, and improving pedestrian interchange facilities between the precinct and the bus terminus, railway station and the central city.
Deliver street improvements to city boulevards - the boulevards each form part of a Transformational Growth Area and are projects that will encourage development. Where possible these will be delivered through a partnership approach to maximise benefits to regeneration areas.	<ul style="list-style-type: none"> Deliver improvements to Victoria Street - this includes a streetscape upgrade with a focus on improving the street for pedestrians. The upgrade will include street trees, lighting, paving, bus and cycle lanes and integration with specific development sites. Taranaki Street improvement plans - the objectives of this project are to increase the flood resistance and make street improvements in conjunction with adjacent land uses. Taranaki Street has more complexities than some other streets because a major stormwater upgrade is required. This will influence the staging of the project. Kent and Cambridge terrace improvement plans - improvements in this area are dependent on a number of projects proceeding, including potential changes to the roads around the Basin Reserve, the bus rapid transit network, changes to the inner city bypass and cycle network improvement plans. We will continue to plan for changes to the streets in this area taking these factors into account.
Plan for future improvements in the central city	<ul style="list-style-type: none"> Review the implementation of the Central City Framework - this is the Council's key document for guiding urban development and public space improvements in the central city area. Work will continue on prioritising and seeking funding for those initiatives not yet implemented. Te Aro Park - investigate opportunities to improve Te Aro Park and surroundings, particularly with current plans for the development of a Whitirea-Weltec campus in adjacent Cuba Street. Ensure future improvements give effect to our Accessibility Action Plan.

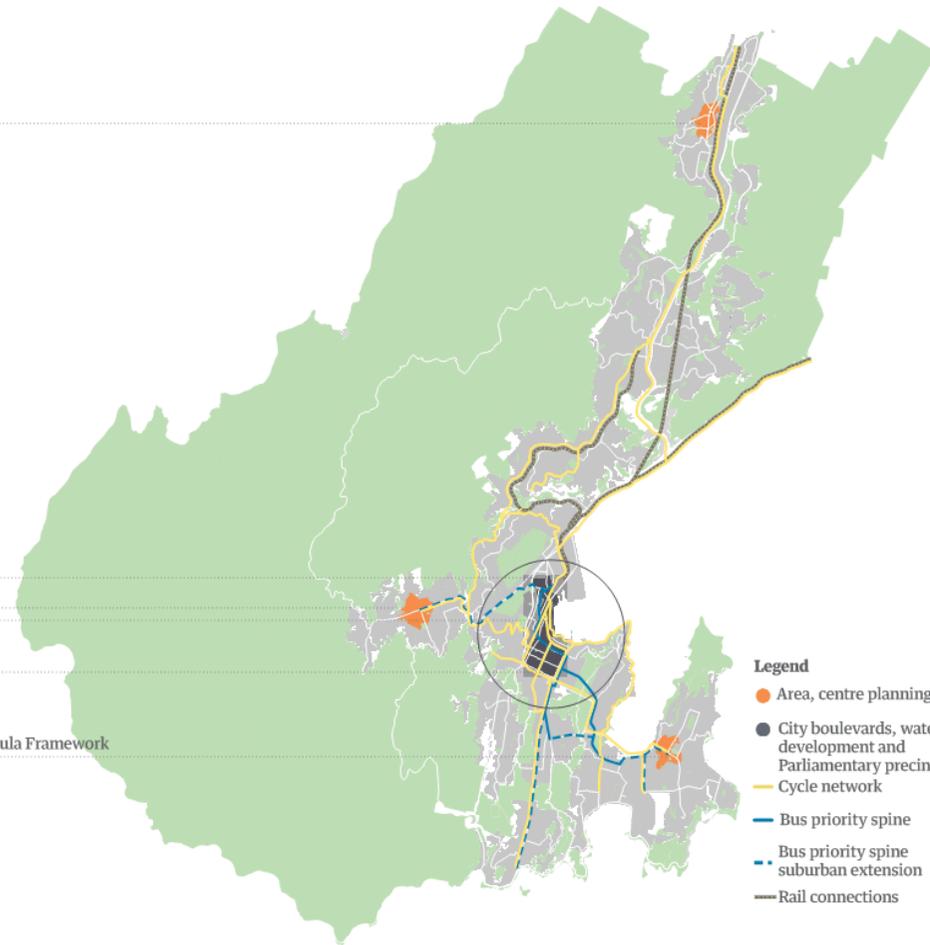
Centres for growth



Tawa centre

Parliamentary precinct
 Karori centre
 Waterfront precinct
 City boulevards

Miramar Peninsula Framework



- Legend**
- Area, centre planning
 - City boulevards, waterfront development and Parliamentary precinct
 - Cycle network
 - Bus priority spine
 - - - Bus priority spine suburban extension
 - Rail connections

2. Plan for future investment in suburban centres

Continue a programme of active planning for key suburban centres that identifies catalyst projects, opportunities for mixed-use development and residential intensification, and investment requirements.

Project	Actions
Complete town centre action plans - these will identify priorities and funding required for the next 10 years.	<ul style="list-style-type: none"> • Update the Centres Policy Implementation Programme - this document sets out the priorities for centres planning and improvements. • Update existing centres implementation plans - this will involve monitoring the implementation of our existing plans for the central city, Adelaide Road, Johnsonville town centre, Kilbirnie town centre and Newlands centre. • Develop new action plans for other centres - the focus will initially be on Miramar, Tawa and Karori town centres with other centres to follow, as per the priorities identified in the Centres Policy. Work will include the prioritisation of District Plan changes to provide for key land use changes identified through the action plan process. • Investigate options for community hubs - as our communities grow and change, the type of services and facilities provided must also adapt. Investigate multi-purpose spaces able to be used for a wide range of activities, and to change as the needs of the community do. Community facilities such as community centres, halls, libraries and recreation centres can also be integrated into ground floor retail space. This means the Council does not need to acquire assets to deliver services. It also provides more flexibility as the needs of the community change.
Suburban main streets - these are the places where local shopping happens and where communities come together. They have high pedestrian use but are also often busy transport corridors. This is about improving the way these main streets function so businesses can get goods in as required, people can get around safely and easily, and they become places where people want to spend more time and money.	<ul style="list-style-type: none"> • Identify investment priority for main streets and add to the above town centre action plans. Give clear indication of timeframes for delivery and investment to coordinate with private investment.
Support local business and community led revitalisation initiatives - this is about exploring ways for the Council to support locally-led projects that help deliver benefits for local areas.	<ul style="list-style-type: none"> • Establish Business Improvement Districts in key centres and business areas. • Investigate other mechanisms to enable community-led initiatives - this will support locally-driven actions aimed at revitalising local centres. • Undertake small-scale trials to test how these projects work - clear parameters around the objectives of the trial will need to be developed.

REAL TRANSPORT CHOICES

Transport enables people to get where they need to go - home, work, education, business opportunities, and recreation areas, and to the services they need. Like other well-connected cities, we plan to encourage and prioritise walking, cycling and public transport over other modes of transport. We want people to have reliable, efficient, healthy and environmentally-friendly transport options. However, cars will continue to be a necessary option for many people. The car can provide flexibility for many journeys but can also be inefficient, requiring parking space and creating congestion, especially at peak times. Our role is to make sure these transport choices are coordinated and integrated to support the way we want the city to grow. This includes encouraging developments that will see more people living and working near major public transport routes and centres.

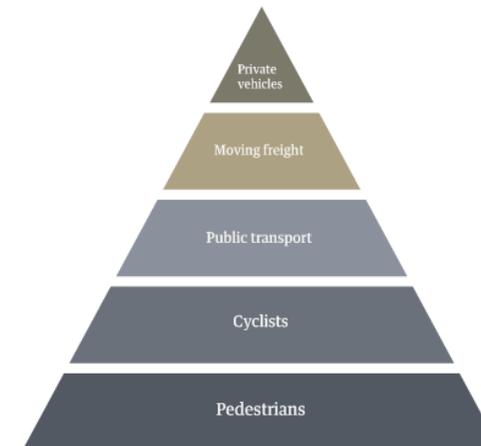
Cycling has become increasingly attractive as a recreational and commuting activity in Wellington. By encouraging cycling we will increase the carrying capacity of our roads while improving our health and environment. Safety, however, is a significant barrier to many more people cycling. To further increase this mode of transport, we

need to provide a safe cycle network both on and off road that will encourage people of all ages - including students, workers and retirees - to cycle. Wellington is also a highly walkable city. Improving pedestrian safety and experience will encourage more people to walk and keep our city centre, suburban centres, and our streets vibrant, safe and attractive.

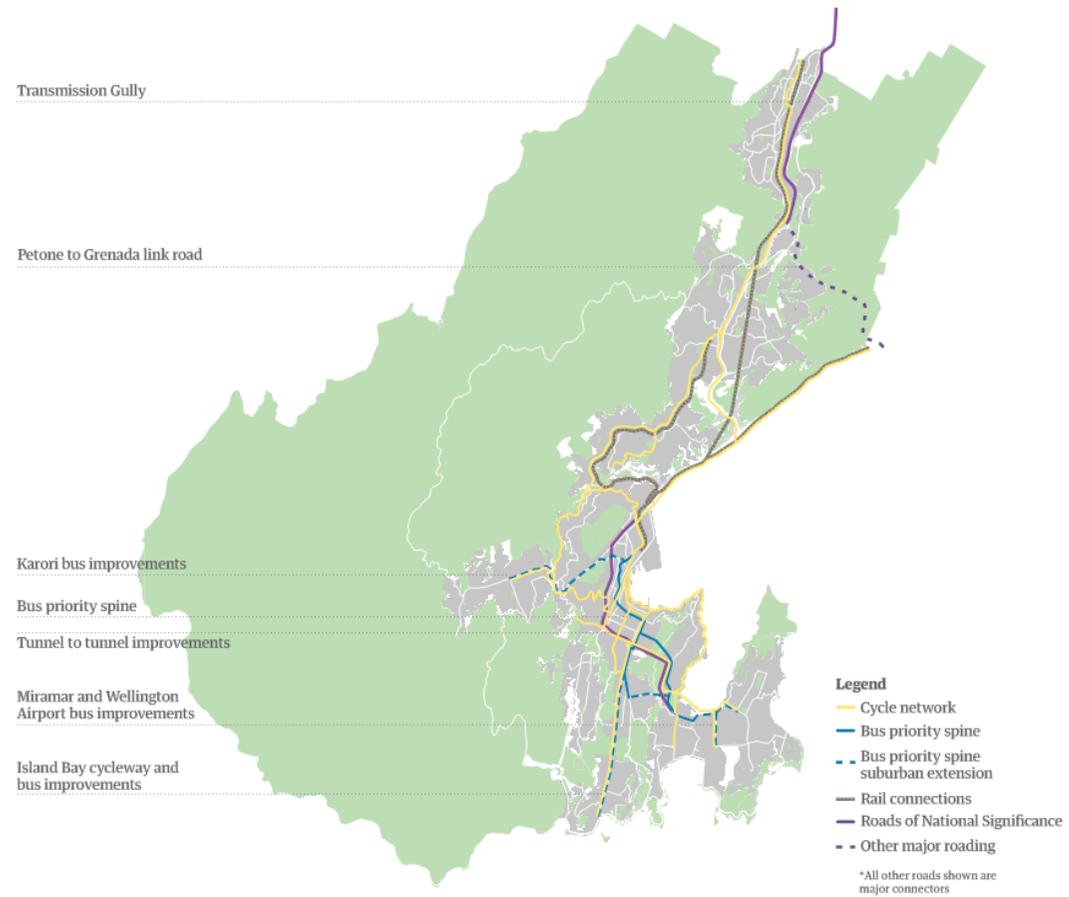
Continuing to invest in and improve our public transport system will make Wellington easier to get around, an even better place to live and reduce our car dependency. Regional plans include more efficient and comfortable bus and train services. In conjunction with this we will work with GWRC and the NZTA to deliver enhanced public transport services through the city. This includes bus priority measures in the short-term and consideration of a bus rapid transit network in the longer term.

Delivery and efficient distribution of goods is essential to the functioning of the city. The port of Wellington, CentrePort, plays a central role in facilitating trade throughout the lower North Island and between the North and South islands. Wellington Airport also plays an important role for high-value, low-weight freight.

Transport system hierarchy



Key transport improvements



1. Improve pedestrian accessibility and safety

Walking has major economic, environmental, health and wellbeing benefits. Statistics clearly show more Wellingtonians choose to walk than anywhere else in New Zealand. This is the result of a compact city and good walking opportunities. Walking is the primary mode of transport for short trips up to 1km, and also the way people start and finish trips made by other modes. Walking is important for the economy as it is the primary mode for shoppers, tourists and visitors to the city. It's important to support walking by making our streets safer and more accessible.

Project	Actions
Accessibility improvement plan - building on the Jan Gehl report, Central City Framework and other documents, this plan will identify areas that are not pedestrian friendly and a programme of work to improve them.	<ul style="list-style-type: none"> Develop the plan - this will include work to identify the improvements that will have the greatest benefits for pedestrians such as improving key routes people use to access public transport. Develop the work programme - this will prioritise improvements and align the plan with the Council's maintenance and renewals programme. It will focus on locations such as transport hubs, schools and the central city, and include work to reduce pedestrian wait times at traffic signals and the provision of shelter.
Road Safety Policy - a policy that sets the direction for road safety to make the city safer for all modes and reduce the number and severity of accidents involving pedestrians and vehicles.	<ul style="list-style-type: none"> Develop the policy - this will include a pedestrian safety and network legibility review that will look at a range of factors including one-way streets, differential vehicle flows and speeds. It will also analyse best-practice examples including shared spaces, speed reductions and street layouts. Develop the work programme - identify key changes that should be made, secure funding for key projects, and align others with the Council's maintenance and renewals budgets.
Walking Policy - continue to implement the Council's Walking Policy and ensure it has a funded implementation programme.	<ul style="list-style-type: none"> Monitor and review - report on progress made to date implementing this policy. Review and update the implementation programme to ensure ongoing investment in improvements that will make the city even more pedestrian friendly.
Track network - continue to implement Our Capital Spaces and its priorities related to accessible walking and cycling tracks.	<ul style="list-style-type: none"> Complete the track network - with a priority on connecting communities and open spaces, and providing short walking loops and transport connections. Walking through open spaces - identify opportunities for active transport through the open space network and support these routes.

Item 3.1 Attachment 1



Walkable Wellington
Wellington is a pedestrian
friendly city.



Cycling is on the rise in Wellington:
Investments are being made to increase cyclist numbers and their safety.

2. Make Wellington a better city for cycling

Cycling is a low-cost, low-carbon, healthy and sustainable mode of transport. It is the most efficient form of human-powered transport and allows excellent access during congested periods. It is ideal for short to medium-distance trips, and is an effective alternative to driving, bus or train. With the relatively short distances between the city centre and suburbs, there is good potential to achieve a step change in the number of journeys by bicycle and enhance our transport network.

Project	Actions
<p>Increase uptake of cycling - despite significant growth in cycling in recent years, there are some barriers, such as safety and topography, which currently limit the number of people cycling. We need to continue improving key cycling routes around the city, and supporting a range of initiatives that make cycling safer.</p> <p>Our typically narrow roads mean that some road space must be reallocated to provide for cycling. This may ultimately mean prioritising cycle lanes or cycle parking over on-street car parking in some areas.</p>	<ul style="list-style-type: none"> • Deliver a safe and connected cycling network - provide the best possible standard of cycling service we can, given local conditions. The most important issue is separation from faster moving vehicles. This will include providing cycle routes to connect key destinations including the central city. Part of these routes may involve off-road cycling through open spaces. We will also work to make it easier for people to use bikes in conjunction with public transport by providing connections to suburban bus and train stations and increasing the amount of secure bicycle parking in these locations. Where facilities are shared by pedestrians and cyclists, we will endeavour to provide a safe alternative route for faster cyclists. • Priority improvements - we will deliver cycling facilities to connect Island Bay, Newtown and the central city; and cycling and walkway improvements in Kilbirnie. We will also work with NZTA to deliver cycling improvements from the eastern suburbs to the central city as part of the Roads of National Significance projects; and from the Hutt Valley and the northern suburbs into the central city, including along the Hutt Road, Thorndon Quay and between Tawa and Johnsonville. We will work to coordinate cycling improvements with bus priority plans for Karori and the southern suburbs. • Provide cycle parking - in the CBD and suburban centres at key locations, including reallocating car parking spaces where necessary (every car park can accommodate six or more cycle parks). • Provide safer speed environments in key areas - where separated cycle facilities are not possible, reduced speeds will be considered to improve cycling safety. • Provide cycle training - for new and less confident cyclists and support bicycles in schools and safe routes to schools. • Review the 2008 Cycling Policy - update this document to reflect the changes in the past six years.
<p>Increase mountain biking and recreational cycling opportunities - Wellington already has some of the best mountain biking areas in the world, uniquely close to the CBD. Cycle tourism has significant potential for Wellington, and recreational cycling contributes significantly to Wellington's quality of life.</p>	<ul style="list-style-type: none"> • Mountain biking - Develop Wellington into one of New Zealand's premier mountain bike destination by working with biking groups to extend the network. • Deliver the Great Harbour Way - work with NZTA, GWRC and other stakeholders to deliver the Great Harbour Way. • Integrate cycling into the Miramar Peninsula - work with the community and interest groups to identify additional routes through the peninsula and improve the coastal recreational route. • Improve safety on other recreational routes - including routes through Makara and Ohariu Valley.

3. Encourage more public transport use

The public transport network includes rail, buses, trolley buses, taxis and ferries, mostly operated by regional and national government. Wellington City Council, as the manager of land use and the street network, has a key role in integrating public transport with residential and commercial activities, and ensuring the routes people use to get to and from public transport are attractive. Public transport is a considerably more efficient mode for moving people than the private car. It has a much smaller environmental cost, reduces congestion by lowering the number of cars on the road and minimises the need to provide car parking.

Project	Actions
Bus priority - Wellington already has a number of bus lanes and other bus priority measures in place that are working well, but we will need more. Such measures future-proof bus movements from the effects of growing traffic congestion.	<ul style="list-style-type: none"> • Deliver bus priority measures - continue delivering measures, such as bus lanes and bus priority at traffic signals giving buses right of way, along key routes and in conjunction with cycling improvements and regeneration projects. • Integrate transport and land uses - when designing the public transport priority spine, key considerations will be ensuring integration with the wider public transport network and other transport modes, including pedestrians and cyclists, and identifying any opportunities for transit oriented development along the spine.
Bus Rapid Transit (BRT) - BRT will be the next step from better Bus Priority. BRT will provide a high quality public transport spine through central Wellington along a dedicated corridor and using improved vehicles and interchanges.	<ul style="list-style-type: none"> • Facilitate the delivery the BRT spine - work in partnership with GWRC and the NZTA to implement the BRT network. The spine will run along the Golden Mile, Kent and Cambridge Terraces, then around the Basin Reserve, along Adelaide Road to Wellington Hospital. Another branch will run through the future duplicated Mt Victoria tunnel, along Ruahine Street and Wellington Road to Kilbirnie town centre. An extension of the spine to the Airport will be future proofed. Improvements along the routes to Island Bay, Johnsonville, Seatoun and Karori will also be identified.
Advocate for improved comfort, reliability and affordability of public transport services - while the City Council provides the road network on which buses operate, the train and bus services are managed by the Regional Council (GWRC) who sets the fares and timetables.	<ul style="list-style-type: none"> • Work with GWRC to improve the quality of the public transport experience - this will include working together to help deliver the new route network set out in the Regional Passenger Transport Plan and looking at installing more bus shelters and other amenities to improve passenger comfort. • Advocate to improve the overall energy efficiency of the bus network - in particular, increase the use of low-carbon and clean-source energy. Investigate the development potential of the bus terminus - in conjunction with GWRC, consider whether the arrangement of the city's main bus terminus area and railway station could be improved. Improve pedestrian connections from the station and bus terminus into the central city.
Taxis and alternatives - it is not possible to provide parking spaces for all taxis so our focus has long been to provide sufficient adequately located taxi ranks in high demand areas. We will monitor the emergence of new delivery mechanism.	<ul style="list-style-type: none"> • Ensure taxi and similar service type users are catered for in areas of high demand. • Continue to work with the taxi industry to find innovative ways to manage taxi ranks more efficiently.
Ferries	<ul style="list-style-type: none"> • Consider more efficient access to inter-island ferries, including walking and cycling, as part of the port access plan. See Transformational Growth Areas.

Item 3.1 Attachment 1



People movers:
Public transport is
key to the successful
growth of Wellington.

4. Improve the road network

Our transport strategy recognises in priority order: pedestrians, cyclists, public transport, moving freight and private vehicles. It is imperative that cars and freight vehicles are accommodated on our road network, but are managed in a way that allows the city to continue to grow as a liveable and vibrant place.

Project	Actions
State highway network - to reduce the intrusion of regional and through traffic on our city streets, we need to support a State highway network that better facilitates the movement of vehicles from the north of the city to the Port and through to the end of the State highway at Wellington Airport.	<ul style="list-style-type: none"> • Help implement State highway improvements as part of the Roads of National Significance (RoNS) programme - this NZTA-led programme is focused on moving people and freight safely and efficiently and include the Ngauranga to Aotea Quay traffic management improvements, Terrace Tunnel duplication, Tunnel to Tunnel improvements, and Airport to Mt Victoria Tunnel improvements (this includes the Mt Victoria Tunnel duplication). We will work in partnership with NZTA to leverage maximum benefits for the city from the RoNS projects. Work with NZTA to implement the Petone to Grenada road link - this proposed road link would improve connections in the region and access to our Northern Growth Area. We will look to maximise the benefits and minimise any adverse environmental and community impacts of this project. • Support NZTA in delivering the Transmission Gully motorway - this road will improve access to and from the north into the city and improve the resilience of the transport network. The Council will continue working with NZTA to minimise any adverse impact from the construction and operation of this project.
Improve the local road network	<ul style="list-style-type: none"> • Capacity improvements - improve the capacity of the road network in Johnsonville town centre and along Adelaide Road and Aro Street. • New roads - extend the local road network to serve greenfield growth areas north of the city. • Port and ferry access - improve access to the port and Interislander ferry terminal from the city.
Review road space allocation - different modes of transport and activities (parking, street trees, tables and chairs) compete for the limited space in our road corridors. The road hierarchy defines the priorities along each type of road.	<ul style="list-style-type: none"> • Network operating framework - develop priorities and principles to be applied when allocating road space across the network. This will vary for different streets depending on their function and the surrounding uses. The provision of bus lanes, cycle lanes, bus stops, loading zones, disabled parking, cycle parking and car parking also need to inform road space allocation. • Review the road hierarchy map - to reflect mode share and road space allocation priorities.
Make streets easier to navigate - in Wellington, we have a compact city that is relatively easy to move around and the distances we travel are relatively short. But the way we manage our streets can make it confusing for people to navigate. We need to review the network to understand the parts that cause confusion, reduce how efficiently vehicles can move around the city or affect safety.	<ul style="list-style-type: none"> • Investigate the economic impact of poor 'way-finding' for vehicles - this includes understanding trip origin and destinations, the route used and how efficient it was, the role of parking, and effect on the distribution of traffic across the whole network. • Review the one-way system - the one-way system aims to improve the capacity of the network for vehicles. However, there are effects that have not been evaluated for some time. A comprehensive review of the system, which defines what the issues are and whether there are suitable alternative options, is required. • Research network legibility.

Car share scheme	<ul style="list-style-type: none"> Facilitate the provision of a car share scheme - many residents, particularly in the central city, do not own a car. A car sharing scheme would reduce the need for high cost car ownership and parking.
Best-practice transport modelling	<ul style="list-style-type: none"> Work with NZTA, industry leaders and other agencies to gather real-time transport information to inform our transport and urban growth decisions.

5. Manage parking more efficiently

People use their vehicles in the city for different purposes and we need to ensure that we cater for these different needs. This will involve a review of the supply and demand for parking, and the development of a system to deliver smart and economical solutions to meet these needs. Our parking enforcement services play an important role in promoting safe parking and the fair use of parking spaces to support retail and economic activity.

Project	Actions
Review and update the Council's parking policy - streets are a significant city asset. They make up 80 percent of all public space. Streets provide access to businesses and homes, are used to move goods, and allow people to get from one place to another. We need to be smarter about how we provide parking so people can access the services they need, and so we can also efficiently re-allocate some of the space for other modes.	<ul style="list-style-type: none"> Review and update the Council's on-street parking strategy - this will include assessing the impact of parking time limits and locations. Make parking information accessible - publishing parking data including occupancy rates, prices and availability so people can find parks more quickly and efficiently. Feed into a review of road space allocation - the provision of on-street car parking needs to be balanced against other needs, eg cycle lanes, bus priority lanes and public space improvements where the road corridor is constrained. Parking enforcement servicing and pricing - to encourage safe parking and efficient rotation of spaces to support retail and business activity. We will explore emerging technologies, that could improve customer experience and efficiency of operation.
Examine levers for private parking	<ul style="list-style-type: none"> Discourage the provision of commuter parking particularly in the central city - short-stay parking has greater economic benefit than long-stay as it supports retail and business activity. We will encourage the conversion of long-term parking into affordable short-stay parking or other uses. Undertake further parking studies - in collaboration with GWRC, investigate commuter/long stay parking as a demand management measure, taking into consideration both the city and the region's modal share. Support 'park and ride' - work with GWRC to provide solutions for locations where people are parking to support their use of public transport (park and ride). This is particularly important in suburban locations where the distance between people's homes and public transport are further. Locations such as Johnsonville train station are important 'park and ride' provisions. Parking pricing options - periodically review pricing options to manage demand. Review District Plan provisions -regarding the supply of parking in residential areas.



High density:
Apartments are an increasingly popular housing choice.

HOUSING CHOICE AND SUPPLY

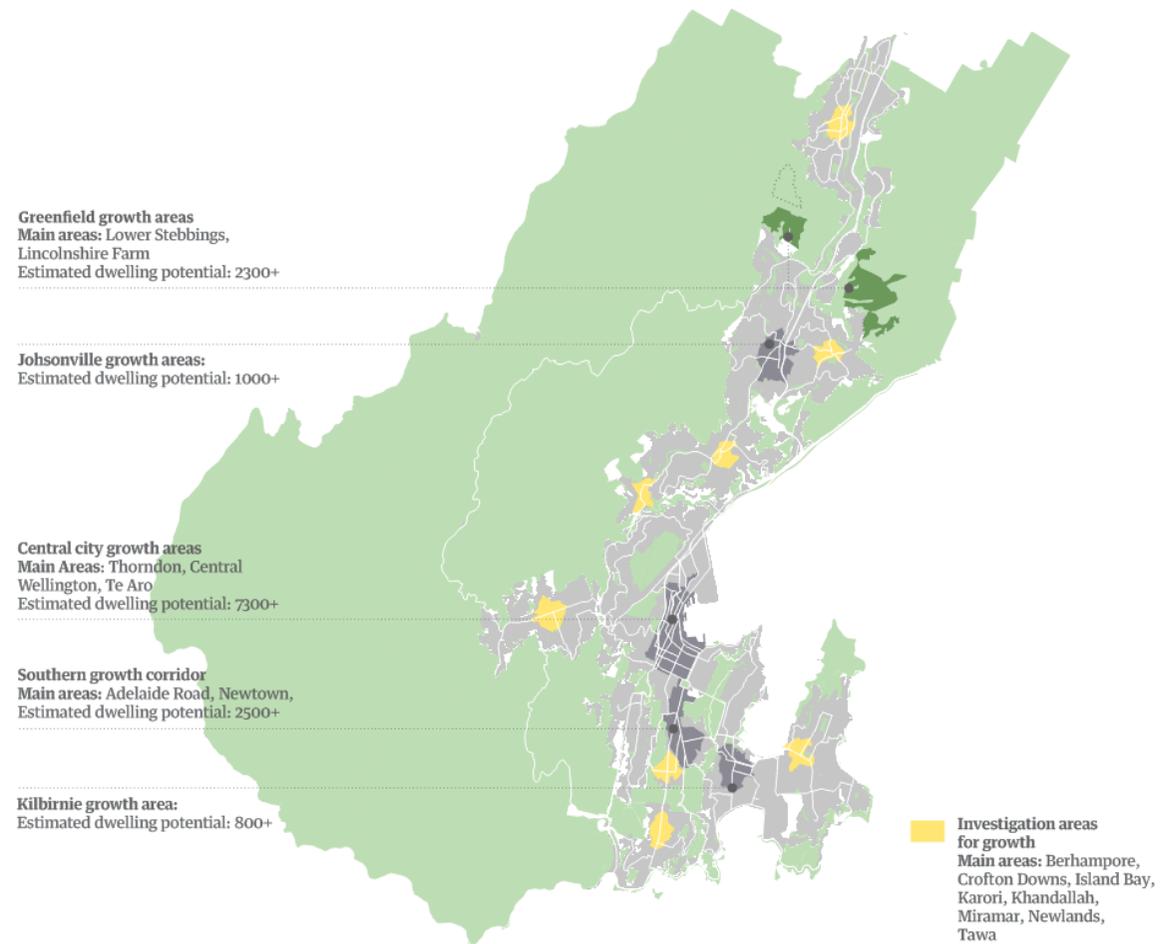
Wellington already has an interesting mix of housing. From the cottages in Mt Victoria to modernist apartment blocks of the 1950s, larger houses built on flat suburban lots, houses built onto our steep hills, apartment buildings in the central city, adapted industrial buildings that are now trendy urban lofts, and everything in between. Each type reflects how different people want to live and the needs we have at different stages of our lives.

We need to ensure there is enough supply for the growth we expect (approximately 21,400 additional dwellings by 2043), that it is of a good quality and is in the right locations that are identified for growth.

We also need to make sure that the type of housing we encourage is what we will need in the future, taking into account changing demographics such as an aging population and smaller households. Medium-density housing presents an opportunity for providing some of the additional homes we need.

In priority growth areas, there could be opportunities for the Council to more directly facilitate housing development to achieve our goals. In addition, the Wellington Housing Accord provides an opportunity to accelerate housing development in identified growth areas that have planning provisions in place.

Defined growth areas



1. Facilitate medium-density housing

Medium-density housing ranges from stand-alone dwellings that are built on smaller lots through to terraced housing and apartments that are usually three storeys or less. It is a way of increasing density but still providing many of the elements that people like about housing in suburban areas.

Project	Actions
Increase medium-density housing development - encourage high-quality, residential intensification in suitable locations and particularly in our existing Medium-Density Residential Areas (Johnsonville and Kilbirnie).	<ul style="list-style-type: none"> Take an active development role - partner with external parties to deliver medium-density housing development in existing growth areas to assist or act as a catalyst. Remove barriers - assist external partners to deliver housing that aligns with our vision. Facilitating amalgamation of lots and the like to remove barriers for good quality development. Demonstration project - explore partnerships with housing providers and others to build housing demonstration projects on strategic sites.
Plan for future medium-density areas around key centres in locations that are well-served by public transport, infrastructure, community facilities, recreation facilities and open spaces. The identification of potential medium-density areas will also consider heritage values and existing neighbourhood character.	<ul style="list-style-type: none"> Undertake investigations for suitable areas including: Berhampore, Crofton Downs, Island Bay, Karori, Khandallah, Miramar, Newlands and Tawa. Investigate future opportunities including public transport corridors, such as future bus rapid transit corridor extension, and other suburban centres.
Improve the quality of medium-density housing - increase building quality, private and public amenities, and encourage more efficient use of land and greener building standards.	<ul style="list-style-type: none"> Review multi-unit design guide - work with architects, developers and other development professionals to improve best-practice apartment and multi-unit development. District Plan provisions - devise planning controls and assessment criteria for new medium-density residential areas that promote good quality developments.

2. Encourage a mix of housing types and more affordable options

This action area recognises that the city’s housing goals will not be achieved through the delivery of medium-density housing alone. The Council needs to continue to provide for a range of quality and affordable housing choices to meet the needs of the city’s residents.

Project	Actions
<p>Increase housing supply through the Wellington Housing Accord – work with central government on the implementation of a housing accord that assists delivery of housing across a range of locations identified as Special Housing Areas. This includes provision for a mix of housing types:</p> <ul style="list-style-type: none"> • low-density greenfield (stand-alone) • medium-density (townhouses and terraces) • high-density (apartments). 	<ul style="list-style-type: none"> • Align Special Housing Areas with growth areas identified for residential development and intensification: <ul style="list-style-type: none"> – Central city – Adelaide Road – Johnsonville Medium-Density Residential Area – Kilbirnie Medium-Density Residential Area – Lincolnshire Farm residential area – Lower Stebbings Valley. • Investigate the potential for other Special Housing Areas.
<p>Increase housing choice through our planning framework - including opportunities for infill and intensification.</p>	<ul style="list-style-type: none"> • Consider changes to the District Plan - this includes reviewing provisions that control infill housing and residential intensification to increase the opportunities for quality compact housing forms in existing suburban areas and areas adjacent to the central city. • Promote more efficient land use in greenfield areas - this includes exploring opportunities for denser development and subdivision in parts of identified greenfield areas (e.g. around local centres and public transport stops), and completing a stocktake of other greenfield expansion opportunities.
<p>Social housing - continue providing an adequate supply of social housing that is well configured and aligned with this Growth Plan.</p>	<ul style="list-style-type: none"> • Complete the Housing Upgrade project - a joint 20-year project with the Crown to upgrade the social housing units owned by the Council. The project’s goal is to provide better housing through better insulation, double glazing, ventilation and heating. The project also includes major landscaping improvements to the grounds and better recreation facilities, where tenants can socialise or work on projects. • Work with Housing New Zealand - as a major landowner and social housing provider to assist it achieve its asset management plans within Wellington and to ensure that these align with our Growth Plan. • Review our Social Housing Policy - to...
<p>Improve housing quality - we want existing and new houses to be warm and dry, energy and water efficient, resilient to earthquakes and, where possible, to use renewable energy.</p>	<ul style="list-style-type: none"> • Building performance - support actions that improve basic housing quality standards such as insulation. • Warrant of Fitness for rentals - develop a voluntary rental housing Warrant of Fitness (WOF) programme. • Universal design - encourage designers to consider accessibility and safety in new and retrofitted housing.

Item 3.1 Attachment 1



NATURAL ENVIRONMENT

Our natural assets - including our green belts, reserves, streams and coastline - define the layout of the city, and good access to them is one of the things people love about Wellington. They are also home to the species and ecosystems that support us - our natural capital. These in turn provide ecosystem services, such as water management, carbon sequestration and storage, moderation of extreme weather events, prevention of erosion, as well as other services such as tourism, recreation, health and wellbeing.

We need to recognise the ecological, recreational and other benefits of our natural assets and align our investment accordingly.

New subdivisions, buildings and transport can have a significant impact on the natural environment. As we grow, we need to minimise such impact through encouraging the uptake of green-rated buildings, water-sensitive urban design, low-carbon transport solutions, and integrated water catchment plans.

Natural environment

Complete the Skyline Track

Improve Grenada North Park

Improve Newlands Park

Complete Harbour Escarpment Track

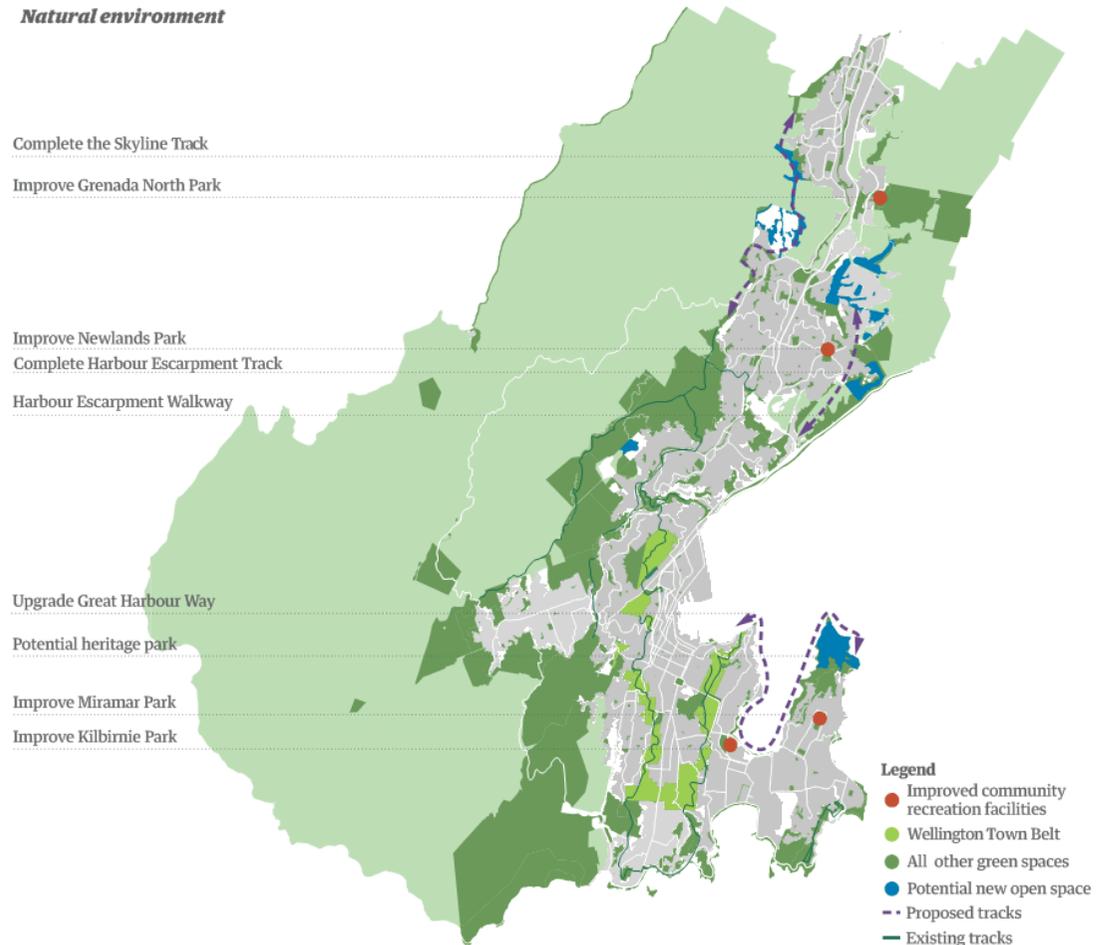
Harbour Escarpment Walkway

Upgrade Great Harbour Way

Potential heritage park

Improve Miramar Park

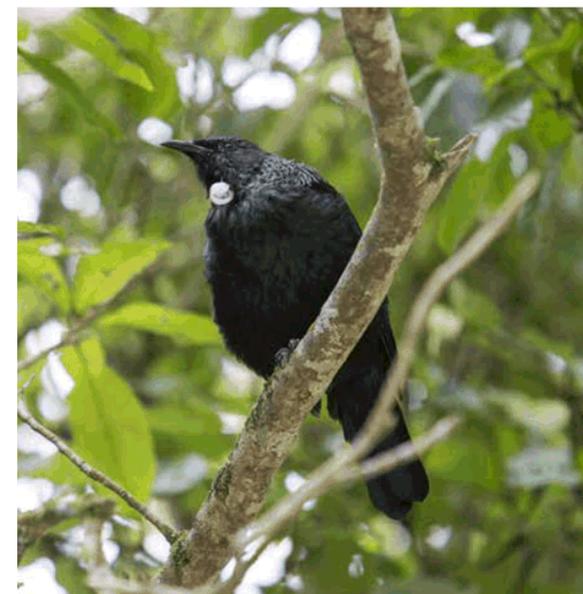
Improve Kilbirnie Park



1. Enhance our natural assets

We need to ensure the natural environment is woven through the fabric of the city and that people continue to have good access to nature. We also need to support the development of sufficient open spaces, track connections and recreational facilities in locations identified for growth.

Project	Actions
Grow our natural capital - the species and ecosystems that support us.	<ul style="list-style-type: none"> • Biodiversity Action Plan - review the plan and implement its recommendations to ensure the viability of local species and the resilience of the range of habitats and ecosystems that make Wellington unique. • Protect and restore - continue to expand our pest management and native planting programme. • Ecological connectivity - create ecological networks within the city to support movement of key indigenous species and connections to the wider landscape.
Implement Our Capital Spaces - the open space and recreation framework for Wellington.	<ul style="list-style-type: none"> • Provide recreation and sports facilities - to meet the needs of communities. • Review the provision of open spaces - in existing suburban areas to accommodate population growth. • Open space network in greenfield subdivisions - design the network to ensure new residents have good access to neighbourhood parks and other outdoor recreation opportunities. • Central city and waterfront - deliver new and improved parks in the inner city to support new residents, including an extension of the waterfront promenade to Shed 21 and the train station.
Align investment in the natural environment with the plans for growth - ensure Council investment in open spaces supports planned population growth.	<ul style="list-style-type: none"> • Greening Central Wellington - continue implementing the 'Greening Central Wellington' vision. • Tracks - complete the Skyline Track and the Harbour Escarpment Track and links to adjacent suburban communities. • Explore policy and planning amendments - review the District Plan provisions to protect and enhance the city's natural environment (including natural landscapes and open spaces, indigenous biodiversity and ecological areas). • Watts Peninsula Reserve -develop the northern part of Miramar Peninsula into a heritage reserve in partnership with the Crown and Port Nicholson Block Settlement Trust.



Tui:
Wellington is home to an increasing amount of biodiversity.

2. Reduce the environmental impacts of urban development and transport

This action area is about promoting and investing in projects to reduce the negative impacts of the city's growth and development on the environment.

Project	Actions
Plan for water catchments as we grow - we need to consider the impact our city's growth may have on water systems. This includes the harbour and coast, the streams that run under the city, and waterways that run through our gullies. These systems should be a celebrated part of both the natural and urban environments.	<ul style="list-style-type: none"> • Integrated catchment management plan - maximise our natural water assets by implementing the integrated catchment management plan for the city; work with developers and other partners to protect, enhance and improve access to the city's natural 'blue' environment; and take opportunities to increase the city's green infrastructure. • Minimise the harm of development on our water systems - work with partners to continue reducing sediment and sewage contaminants in the city's water systems. • Support water-sensitive design - make water-sensitive design common practice for all public works, where appropriate. This will include major roading, drainage, streetscape, park and reserves projects, with initial projects proposed for key central city streets. Support the use of green walls and roofs. Add a Water Sensitive Urban Design (WSUD) chapter to the Council's Code of Practice for Land Development and incorporate principles into the Regional Standard for Water Services. Provide education and awareness opportunities throughout the city, especially to private developers.
Support low-carbon solutions - transport and urban development are two of the key sectors when considering the reduction of carbon and air pollutants (including particulate emissions). We need to encourage the development of more efficient, clean, low-carbon buildings, public transport and private vehicles.	<ul style="list-style-type: none"> • Support electric vehicles - Support and plan for the increasing uptake of electric vehicles by residents and businesses by working with Government, industry partners and businesses. • Support smart technologies - facilitate the development of a smart grid system. • Adopt business management practices (eg internal operations, service provision, asset and property maintenance) that ensure the Council becomes a leader in clean business.
Encourage sustainable buildings - the way we develop and use buildings has an impact on energy use and emissions. There are benefits for occupants of the building in terms of energy savings, lower maintenance costs for building owners, and for the city as a whole as we work to reduce our carbon footprint.	<ul style="list-style-type: none"> • Low-impact design - encourage more low-impact design and sustainable buildings in new subdivisions, building developments and retrofits. • Encourage green standards for new builds - investigate mechanisms for achieving higher levels of sustainability for new residential and commercial buildings, including incentives and regulation. Encourage green standards and adaptive reuse of existing buildings - to meet the changing needs of tenants and users, existing buildings should gradually be brought up to current building standards and include sustainable features. We will investigate mechanisms to facilitate this.
Support small scale renewable energy generation - such as solar systems and small scale wind turbines.	<ul style="list-style-type: none"> • Remove regulatory barriers - provide an encouraging planning environment for renewable energy generation.

CITY RESILIENCE

This action area is about ensuring the city’s built environment is resilient and able to positively respond and adapt to environmental challenges and natural hazard events.

We lead the country in terms of resilience management through identifying earthquake-prone buildings, planning for emergencies and preparing for climate change.

We are committed to maintaining this leadership role and want to support the continued improvement of the city’s buildings stock and infrastructure to make them more resilient.

1. Continue to provide leadership in resilience

We need to continue the earthquake strengthening of key public buildings and infrastructure; explore other mechanisms and incentives for private sector support (including for heritage buildings); and support further hazards research to ensure sound planning and investment decisions.

Project	Actions
Increase the resilience of the city’s buildings, structures, infrastructure and coastline through research, planning and investment.	<ul style="list-style-type: none"> • Develop a comprehensive resilience strategy - to inform the Council’s policy, regulatory and investment decisions to make Wellington a more resilient city. • Undertake the assessment of post-1976 buildings for earthquake risk. • Work with Central Government to develop new legislation for building strengthening. • Prioritise vulnerable essential infrastructure for upgrade - complete a study of the capacity, age and state of existing infrastructure and use this to inform the Council’s infrastructure upgrade priorities and investment programme. • Explore policy changes - the policy and planning framework will direct major growth to areas where the risks from natural hazards and climate change can be avoided or mitigated and avoid further major development in high risk areas. • Coastal resilience - continue planning around the risk of increased storm events and sea-level rise. Implement the NZ Coastal Policy Statement through the District Plan. • Continue work on It’s Our Fault - seismic risk assessment and mitigation, with GNS. • Work with partners and the community to roll out best-practice responses - such as our Quake Check for existing houses and infrastructure, and for new buildings in hazard areas. • Analysis of the potential impact of storm surges, floods, landslides, slope failure, liquefaction, ground shaking and fault lines on the city’s built environment will continue as the background for our investment decisions as well as the Regional Hazards Management Strategy.

Secure and protect key resilience infrastructure

- Secure access routes - Address hazards along key access routes e.g. earthquake-prone retaining walls, building facades and verandahs.
- Secure critical public infrastructure and emergency lifelines - continue to make critical public infrastructure more resilient. Develop a strategy for ensuring access and protection of buildings and essential services.
- Help secure other networks and facilities - work with NZTA, Wellington Electricity Lines Ltd, Wellington Water and others to increase the resilience of State Highway; power, water and telecommunication networks; and port, airport, education, health and other key facilities.

Encourage the earthquake strengthening of buildings by working with partners, developing a range of incentives, and by the Council leading by example with its public building upgrades.

- Work with partners (including central government, private sector and the banking and insurance sectors) to develop stronger incentives and make financial assistance more accessible for owners upgrading earthquake-prone buildings (eg add to the Council's Built Heritage Incentive Fund and earthquake-strengthening incentives package).
- Focus support on the strengthening of key heritage buildings and earthquake prone buildings in Cuba Street, Courtenay Place and the Newtown Heritage Area (includes working with partners, financial incentives, information and design guidance).
- Complete the upgrade of Council-owned public buildings that are critical facilities in the event of an earthquake.

4.0 DELIVERING THE PLAN

This section outlines the implementation approach for delivering the Urban Growth Plan. In summary, key aspects of the approach include alignment with:

- the Council's Long-term Plan
- regulatory plans (such as the District Plan)
- the Council's wider strategy and policy framework
- central government support and contribution
- infrastructure and service providers
- developer and delivery agencies
- community and non-government organisations.

To achieve some of the projects and outcomes identified in the plan, we will need to be more proactive in the development sector. For example, the Council could invest in identified growth areas (eg around suburban centres, key transport nodes or corridors) to help attract private investment and development. In such places, we will explore more active approaches, which could include purchasing and assembling land parcels, partnerships with public or private sector parties, and the development of demonstration projects.



Under construction:
Building is happening throughout Wellington.

Investment requirements

Realising the plan's vision and providing for the city's future growth and development will require significant ongoing investment, particularly in infrastructure.

All parties investing in the city are working in challenging fiscal environments so investment programmes will need to be carefully assessed, prioritised and monitored. Compact cities are inherently more efficient. One of the plan's aims is to enable significant further cost efficiencies through better coordination of different providers' investment decisions with sequenced changes in land use and community development.

One of the most significant investment mechanisms we have is to manage demand rather than simply assume the need for new investment

across the board. The plan therefore seeks to build on our investment to date by directing new residential and employment development towards parts of the city where there is sufficient infrastructure already in place, or where we are planning infrastructure renewal or upgrades. We will also investigate innovative approaches to funding and financing the infrastructure and services required to deliver this plan.

A detailed implementation strategy will be produced to support this plan. This will identify high priority investments over the next one to three and four to 10 years, these being the terms of the statutory Long-term Plan. It will also identify in less detail investment over the period beyond 10 years.

Implementation approach: key requirements

The following section outlines the key requirements for successfully delivering on the goals and actions of the plan.

1. Aligning and coordinating the Council's internal operations

Wellington City Council is a significant organisation that owns and maintains more than \$6 billion of assets, and currently includes six council-controlled organisations (CCOs). Achieving the outcomes of this plan will require alignment of our planning, policy-making, internal operations, actions and investments.

2. Securing central government support and investment

Central government is a key partner in the delivery of the plan. The plan identifies priority projects and infrastructure investment that involve joint funding by central government and the Council.

This will help us and central government maximise the outcomes of our investment in the city, through informing the sequencing and location of government-funded infrastructure and services over time.

3. Developing a sustainable financial strategy

We will use this plan to help prioritise our activities, when and where investment is made, to maximise effectiveness and efficiency. This approach will allow us to plan for growth projections, and to transform parts of the city in line with this plan's vision and key outcomes. It will be critical in the development of our financial and investment strategies - for example, the Strategic Asset Management Framework, Long-term Plan and Financial Strategy. These strategies will detail our activities and investment to support growth and development, and will also identify partner contributions.

4. Building long-term implementation partnerships

The Council will not be able to deliver this plan on its own. We'll need to work with others to encourage and guide investment, and to remove barriers to the delivery of projects. This includes partnering with the private sector, government agencies, tertiary and education institutions, Māori stakeholders and investors, other Wellington councils and the wider community, to deliver projects. We will also need to communicate and advocate for the plan's vision so others have clarity about Council investment and phasing, and have confidence to invest in the plan's vision and city development projects.

5. Matching implementation tools with the outcomes sought

Achieving the plan's goals and outcomes will require the use of a range of different implementation tools and funding mechanisms. Some actions will be led by the private sector, while others will require Council leadership and/or joint action and investment. Some projects may require the formation of multi-stakeholder project groups; planning or financial incentives; design guidance or infrastructure upgrades.

5.0 THE URBAN GROWTH PLAN REVIEW

Effective monitoring and review processes are critical to the successful implementation of this plan. They will ensure that the steps we are taking are setting us in the right direction to achieving our long-term objectives.

Detailed monitoring and review actions will be created and delivered as part of the implementation plan. This will include detailed target-setting and success measures. These will be integrated with the monitoring and evaluation the Council already carries out to evaluate the effectiveness and efficiency of its activities and programmes (eg the Long-term Plan and Annual Plan). Key progress indicators may include:

- Council delivery of transport and infrastructure improvements
- changes in journey patterns and mode share

- the location and type of new housing development
- the number and location of new greenfield residential subdivisions
- intensification activities (eg resource consents numbers) in identified growth areas
- improvement projects in public spaces and centres implemented
- investment in parks and green infrastructure
- earthquake strengthening of buildings (eg building consent numbers) and infrastructure
- steps taken to protect our infrastructure and urban areas from the impacts of climate change.

Progress on implementing the plan will be reported on every three years to inform our Long-term Plan process.

Item 3.1 Attachment 1



Waterfront:
*Urban design meets the
natural environment.*

APPENDIX A

Key relevant policies and plans

- Accessible Wellington Action Plan 2012 / 2015 (2012)
- Biodiversity Action Plan (2007)
- Business Improvement District Policy (2013)
- Centres Policy (2008)
- Climate Change Action Plan (2013)
- Community Facilities Policy (2010)
- Cycling Policy (2008)
- Development Contributions Policy (2014)
- Earthquake-prone Buildings Policy (2009)
- Heritage Policy (2010)
- Our Capital Spaces (2013)
- Parking Policy (2007)
- Public Space Design Policy (2010)
- Walking Policy (2008)

Source documents

- Central City Framework (2011)
- Central City Framework: Approach to Implementation (2013)
- Space Syntax: City Centre Movement Infrastructure Analysis (2011)
- Adelaide Road Framework (2008)
- Kilbirnie Town Centre Revitalisation Plan (2010)
- Newlands Centre Plan (2010)
- Northern Growth Management Framework (2003)
- Transport Strategy (2006)
- Urban Development Strategy (2006)
- Waterfront Framework (2001)
- Wellington Towards 2040: Smart Capital (2011)
- City to Waterfront: Public Spaces and Public Life Study, Jan Gehl (2004)
- 8 Big Ideas (2014)
- Greening Central Wellington (2002)

Item 3.1 Attachment 1





2014/15 FIRST QUARTER REPORT

Purpose

1. This report outlines progress towards the delivery of the 2014/15 Annual Plan as at 30 September 2014.

Recommendation

That the Transport and Urban Development Committee:

1. Note the information.

Background

2. The quarterly report informs councillors of progress against the annual plan, and also ensures the annual report does not contain any unexpected and significant variances from performance. Responsibility for the report falls within the purview of the Governance, Finance and Planning Committee.

Discussion

3. The attached quarterly report, with the accompanying appendix one, outlines the Council's progress against planned or budgeted performance for:
 - Income
 - Operational expenditure
 - Capital expenditure
 - Service delivery (KPI performance)
 - Compliance with Treasury Policy
 - Key programmes.
4. Significant variances are explained, by activity group, in appendix one to the quarterly report. This quarterly report explains variances greater than 10%.
5. Details relating to significant projects are highlighted, by relevant committee, on pages 2-4 of the quarterly report itself.

Attachments

- Attachment 1. 2014/15 First Quarter Report
Attachment 2. Appendix one

Author	Shanan Smith, Snr Adv Planning & Reporting
Authoriser	Brian Hannah, Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

This report outlines progress against the planned projects, spending and service levels indicated in the Annual Plan.

Policy and legislative implications

Not applicable.

Risks / legal

Not applicable. This report outline progress towards the annual plan and annual report, which are legislative requirements.

Climate Change impact and considerations

Not applicable.

Communications Plan

Not applicable.

QUARTERLY REPORT

QUARTER 1 (1 JULY–30 SEPTEMBER 2014)

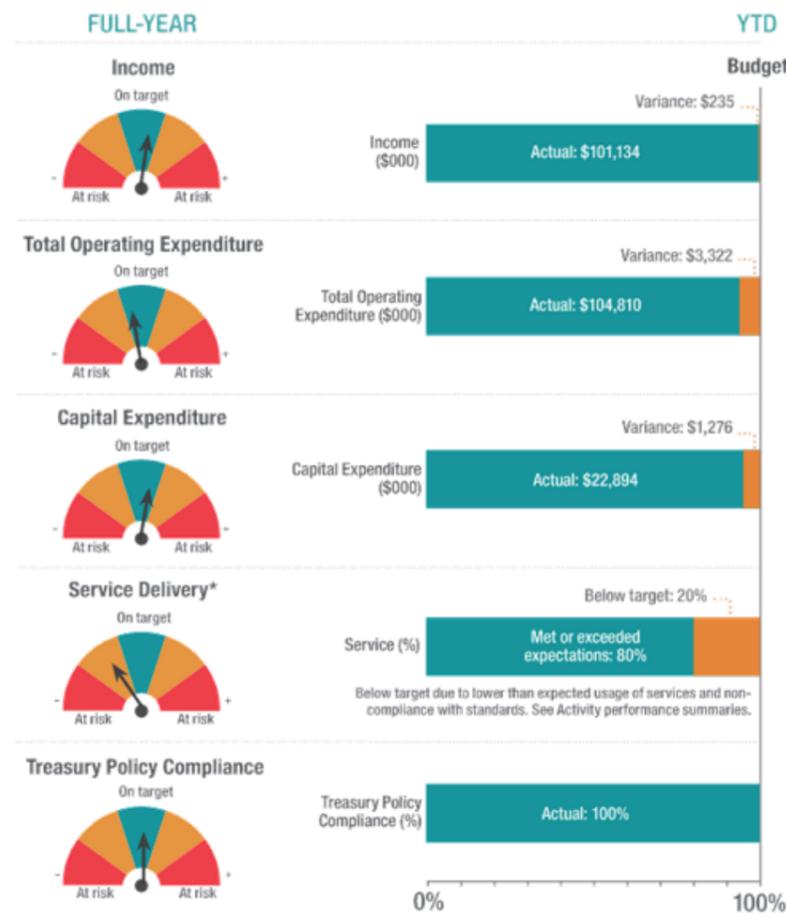
This report summarises the Council's progress in the first quarter of 2014/15 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against:

- income
- total operating expenditure
- capital expenditure
- service delivery (KPI performance)
- Treasury policy compliance.

Areas where there is a risk to or significant variance from budgeted expectations are discussed in the performance summaries for each of the Council's seven activity areas.

Council is making good progress with the major projects it had planned for the year and is largely on track to meet year-end targets. Service performance exceptions are mainly due to lower than forecast use of services. See activity performance summaries for more information.

HOW ARE WE PERFORMING?



Note: that the figures for service performance only include key performance indicators (KPI) that are measured on a monthly or quarterly basis. Annual KPIs will be incorporated at year-end (30 June 2015). In some areas, KPIs exceeded their targets by over 10%. These exceptional results are also outlined in the Activity performance summaries.

FINANCIAL SNAPSHOT

STATEMENT OF FINANCIAL PERFORMANCE

The Council's consolidated financial performance for the period 1 July 2014 to 30 September 2014 is presented in this section. Note that numbers in brackets indicate an unfavourable variance from budget.

	YTD 2014/15			Full year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Rates Income	63,754	63,817	(62)	255,267	255,267
Other Income	1,231	670	561	13,681	13,681
Lease Income	9,132	8,964	167	36,116	36,574
Interest Income	0	11	(11)	8	44
Income from Activities	26,175	26,939	(763)	126,110	123,205
Development Contributions	841	500	341	2,000	2,000
Total Income	101,134	100,901	235	433,182	430,771
Personnel Expenditure	24,002	24,441	439	97,615	97,678
General Expenses	52,636	52,450	(186)	202,256	200,245
Financing Expenditure	5,373	5,760	385	23,041	23,041
Depreciation & Loss/Gain on Sale	22,799	25,483	2,683	95,935	102,164
Total Expenditure	104,810	108,134	3,322	418,847	423,127
Net Operating Surplus/(Deficit)	(3,676)	(7,232)	3,557	14,335	7,644

The year-to-date net operating deficit of \$3.676m is \$3.557m better than the budgeted deficit of \$7.232m. This favourable variance is attributable to a combination of factors as outlined below.

INCOME

Year-to-date total income is above budget by \$0.235m:

- Other income is ahead of budget by \$0.561m due to unbudgeted income received from the disposal of assets.
- Development Contributions are \$0.341m higher than budget for the first three months, due to higher income from several residential developments.
- Income from Activities is \$0.763m under budget mainly due to lower New Zealand Transport Agency funding (\$0.581m) because of delays in the planned roading programme due to unfavourable weather.

EXPENDITURE

Year-to-date total expenditure is under budget by \$3.322 million:

- Depreciation & Loss/Gain on Sale is \$2.683m under budget due to savings as a result of the decrease in infrastructure asset values at 30 June 2014. These differences will be permanent.
- Personnel Expenditure is \$0.439m under budget mainly due to some vacancies across Council. These are timing differences only.
- Financing Expenditure is under budget by \$0.385m due to lower levels of borrowings and some delays in the capital programme in the first three months of the year.

FULL YEAR FORECAST

The forecast Net Operating Surplus for the year is currently \$6.7m more than budget. This includes \$6.3m of depreciation savings resulting from the decrease in infrastructure asset values at 30 June 2014 and \$3.8m additional funding from the New Zealand Transport Agency funding in respect of the capital roading programme. Offsetting these favourable forecast variances is lower revenue from pools, fitness centres, the ASB Sports Centre and building consents (\$1.4m), and Council-approved overspends for Community Events and the Events Development Fund (\$1.6m).

NET OPERATING EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	3,364	3,622	258	14,446	14,438
Environment	32,399	34,578	2,178	127,745	133,486
Economic Development	7,689	7,761	71	24,723	23,774
Cultural Wellbeing	6,544	6,809	265	18,012	17,190
Social and Recreation	13,235	13,733	497	51,111	50,228
Urban Development	4,803	4,706	(97)	19,537	19,270
Transport	5,795	6,457	662	25,581	25,028
Total Activity Area	73,829	77,664	3,835	281,157	283,414
Council	(70,153)	(70,432)	(279)	(295,492)	(291,058)
Total	3,676	7,232	3,557	(14,335)	(7,644)

CAPITAL EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	0	0	0	0	0
Environment	4,769	4,252	(518)	33,573	33,216
Economic Development	196	402	206	2,471	2,471
Cultural Wellbeing	0	0	0	356	356
Social and Recreation	6,783	8,006	1,223	30,607	30,775
Urban Development	2,083	1,562	(521)	22,837	22,717
Transport	5,718	6,655	937	44,111*	39,803
Total Activity Area	19,549	20,877	1,328	133,955	129,338
Council	3,345	3,293	(52)	24,090	22,675
Total	22,894	24,169	1,276	158,044	152,013

* The forecast includes additional expenditure on Rooding Capacity Projects of \$3.845m that will be funded from additional funding from the New Zealand Transport Agency.

STATEMENT OF BORROWINGS

Total committed borrowing facilities as at the end of September are \$486.5m providing headroom of \$165.5m. Our liquidity ratio is at 123% compared to the policy minimum of 110%.

	YTD 30 September 2014 \$000	30 June 2014 \$000
Facilities at start of year	460,500	429,000
New/matured facilities (net)	26,000	31,500
Facilities at end of period	486,500	460,500
Borrowings at start of year	348,000	341,000
Change in core borrowing + (-)	9,114	6,638
Repayment of loans + (-)	-	-
Change in working capital requirement + (-)	(36,114)	362
Net borrowings at end of period	321,000	348,000
Plus unutilised facilities	165,500	112,500
Total borrowing facilities available	486,500	460,500

Note: "Borrowing facilities" excludes \$5 million of uncommitted funding lines. Facilities do not include short term commercial paper or deposits.

TREASURY POLICY COMPLIANCE

At 30 September 2014 all of the core policy compliance requirements were achieved as shown below.

PRUDENTIAL TREASURY LIMITS

Prudential limits	Policy limit (%)	Actual (%)	Compliance
Borrowings as a % of equity	<10	4.8	Yes
Borrowing as a % of income	<150	77.1	Yes
Net interest as a % of annual rates income	<20	8.8	Yes

Notes: Equity is based on the 2014/15 annual plan. Net interest is actual. Annual rates and income are based on 2014/15 annual plan.

Interest rate risk control limits (interest rate exposure)	Policy limit (%)	Actual (%)	Compliance
Fixed interest proportion	50-95	89	Yes
Broken down: 0-3 year bucket	20-60	24	Yes
Broken down: 3-5 year bucket	20-60	22	Yes
Broken down: 5-10 year bucket	20-60	54	Yes

Liquidity/funding risk (access to funds)	Policy limit (%)	Actual (%)	Compliance
Liquidity/funding risk (access to funds)	>110	123	Yes
Broken down: 0-3 year bucket	20-60	52	Yes
Broken down: 3-5 year bucket	20-60	22	Yes
Broken down: 5-10 year bucket	15-60	26	Yes

Notes: Liquidity is defined as: Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purpose of measuring liquidity short dated Commercial Paper is excluded)

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Planned (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
GOVERNANCE	ACCOUNTABILITY AND PLANNING	Annual Report adopted			
		Long-term plan: • Workshop series commenced.	Long-term plan: • Financial strategy. • Infrastructure strategy. • Programme overview.	Long-term plan: • Revenue and Financing policy. • Performance framework. • Adopt draft plan.	Long-term plan: • Consultation. • Adopt final plan.
		Mid-term capex review – \$15m investment package adopted and to be implemented, including: • Funding for Meet the Locals enclosure at Wellington Zoo. • Expansion of City to Sea Museum. • Victoria Street transformation in line with Central City Framework. • Urban catalyst projects.			
ECONOMIC GROWTH AND ARTS	ECONOMIC DEVELOPMENT	Region wide consultation on development of Wellington Regional Economic Development Agency (WREDA).	WREDA proposal adopted. WREDA Chair appointed.	WREDA transition and implementation.	
	8 BIG IDEAS	Convention centre: • Public consultation undertaken.	Convention centre: • Council consideration and final decision on proposal.		
		Tech hub: • Developed Expression of Interest (EOI) documentation.	Tech hub: • EOI released, closes 19 November 2014. • Evaluation of EOI responses and determination of next steps.		
		Airport runway extension: • Results of economic impact assessments received.	Airport runway extension: • Reports being peer reviewed by council officers. Report back to Council.		
		Film museum: • Preliminary investigations and concept development continue			
MAJOR EVENTS	World of Wearable-Arts – 25 Sep to 12 Oct Beervana – 22 to 23 Aug All Blacks v South Africa Test – 13 Sep LUX Light Festival – 22 Aug to 1 Sep Oktoberfest – 19 to 20 Sep	SkyShow – 8 Nov Toi Māori Art Market – 14 to 16 Nov Rugby League Four Nations Final – 15 Nov Capital Christmas – 10 to 24 Dec New Year's Eve Festival – 31 Dec	IRB Sevens – 6 to 7 Feb Homegrown Music Festival – 7 Mar ICC Cricket World Cup – 14 Feb to 29 Mar Cuba-Dupa – 28 to 29 Mar	Wellington Fashion Week – 8 to 12 Apr World Water Ski Racing Championships – 9 to 20 Apr WW100 and ANZAC Commemorations – 25 Apr AFL match – 25 Apr FIFA Under-20 World Cup – 30 May to 20 Jun	
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Berkeley Dallard and Etona: • Construction completed and buildings reoccupied.			
		Arlington Site 1: • Business case under development.		Arlington Site 1: • Business case presented to Community, Sports and Recreation Committee (CSR).	Arlington Site 1: • Implementation of CSR decision.
		Arlington Site 2: • RFP under development.	Arlington Site 2: • RFP to be issued.	Arlington Site 2: • RFP results evaluation.	Arlington Site 2: • Develop detailed design.

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Planned (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Marshall Court: • Under construction.		Marshall Court: • Construction complete.	
		Kotuku: • Tender evaluation complete.	Kotuku: • Construction contract commencement.	Kotuku: • Under construction.	
	RECREATION UPGRADES	Keith Spry Pool: • Teaching pool and children's pool tanks completed. • Maintenance work started on existing pool.	Keith Spry Pool: • Upgrade work on new pools and change rooms scheduled to be completed mid-December 2014.	Keith Spry Pool: • Hand over from contractor to the Council. Commence operational set-up of new pools and preparation for opening to the public. • Opening to the public in February 2015.	
ENVIRONMENT	WATER UPGRADES	Seismic strengthening: • Strengthening of Maupuia No1 and No2 reservoirs completed. • Melrose reservoir design work completed.	Seismic strengthening: • Melrose reservoir construction commenced. • Install auto-shut valve (ASV) at Roseneath No2 reservoir.	Seismic strengthening: • Melrose reservoir construction completed. • Linden and Newlands reservoir design work underway.	Seismic strengthening: • Linden and Newlands reservoir design work completed. • ASV installations at Montgomery, Mt Wakefield and Broadmeadows reservoirs.
	NATURAL ENVIRONMENT	Our Capital Spaces: • Completed pre-engagement for review of Biodiversity Action Plan. • Completed sediment reduction plan for Porirua Harbour Strategy. • Established interagency planning group for the development of Watts Peninsula as a heritage park. • Funding approved for Mountain Bike Economic Growth Initiative (MBEGI) to develop business plan for Wellington as a premier mountain bike destination.	Our Capital Spaces: • Biodiversity Strategy to Environment Committee for approval to formally consult. • Consultation on Draft Suburban Reserves Management Plan.	Our Capital Spaces: • Consultation on Biodiversity Strategy. • Consultation on Mt Victoria Master Plan.	Our Capital Spaces: • Final Biodiversity Strategy approved by Council. • Mt Victoria Master Plan completed. • MBEGI completed business plan for Wellington as a premier mountain bike destination.
	Island Bay Seawall: • Project and engagement plans agreed by the Environment Committee.	Island Bay Seawall • Consultation and engagement completed. • Environment Committee to consider options.	Island Bay Seawall: • Detailed design of options, pending Environment Committee decision.	Island Bay Seawall: • Consult on detailed design options. Final decision on approach.	
TRANSPORT AND URBAN DEVELOPMENT	EARTHQUAKE RESILIENCE	Earthquake strengthening of Council buildings: • Clarrie Gibbons Building strengthening completed. • Network Newtown strengthening commenced. • Truby King House chimney strengthening completed. • Thistle Hall strengthening continues.	Earthquake strengthening of Council buildings: • Network Newtown strengthening completed. • Portico demolition commenced. • Band Rotunda remediation completed. • Planning for strengthening chapel and crematorium at Karori Cemetery commenced. • Thistle Hall strengthening completed.	Earthquake strengthening of Council buildings: • Portico demolition completed.	
		Application submitted to the Rockefeller Foundation's "100 Resilient Cities" programme.	Decision expected on application to "100 Resilient Cities" programme.		
		Town Hall strengthening project is awaiting further information on options. Alternative use continues to be worked on.			

KEY PROGRAMMES

		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Planned (1 Oct–31 Dec 2014)	Q3 Planned (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)	
Committee	Programme	Milestones				
TRANSPORT AND URBAN DEVELOPMENT	EARTHQUAKE RESILIENCE	Hataitai Bus Tunnel: <ul style="list-style-type: none"> Portal strengthening design and tender documents completed and issued. Public notification of works and stakeholder briefings. 	Hataitai Bus Tunnel: <ul style="list-style-type: none"> Portal tender evaluation and awarding of contract. Work to strengthen portals commences in November 2014. 	Hataitai Bus Tunnel: <ul style="list-style-type: none"> Work to strengthen portals continues with 80% completed by end of quarter. Seatoun Tunnel: <ul style="list-style-type: none"> Pending assessment of earthquake strengthening requirements the contract for professional services for this work will be tendered. 	Hataitai Bus Tunnel: <ul style="list-style-type: none"> Work to strengthen portals completed. 	
	WATERFRONT FRAMEWORK	North Kumutoto project: <ul style="list-style-type: none"> Council decision on building, long-term lease and public space projects. 	North Kumutoto project: <ul style="list-style-type: none"> Application for resource consent likely to be submitted. 	North Kumutoto project: <ul style="list-style-type: none"> Resource consent application process continues. 		
		TSB Arena and Shed 6: <ul style="list-style-type: none"> Investigations commenced. 	TSB Arena and Shed 6: <ul style="list-style-type: none"> Detailed planning completed and tender documentation prepared. 	TSB Arena and Shed 6: <ul style="list-style-type: none"> Work underway to renew exterior cladding. 		
	URBAN DEVELOPMENT	Parliamentary precinct: <ul style="list-style-type: none"> Contractor appointed for Cenotaph upgrade. Construction commenced 1 September. 	Parliamentary Precinct: <ul style="list-style-type: none"> All demolition and ground works completed. Work commenced on new staircase and paving. 	Parliamentary Precinct: <ul style="list-style-type: none"> Work completed and space opened up for public use. 		
		Memorial park: <ul style="list-style-type: none"> Arras Tunnel opened and park construction commenced. 	Memorial park: <ul style="list-style-type: none"> Park construction underway. Australian Memorial construction commences. 	Memorial park: <ul style="list-style-type: none"> Park construction complete. Memorial park: <ul style="list-style-type: none"> Park opening and Anzac day commemoration. 		
		Kilbirnie town centre phase two: <ul style="list-style-type: none"> Deferred pending confirmation of design brief. 	Kilbirnie town centre phase two: <ul style="list-style-type: none"> Design brief confirmed following consultation. Concept design completed and detailed design underway. 	Kilbirnie town centre phase two: <ul style="list-style-type: none"> Detailed design completed and contract awarded. Kilbirnie town centre phase two: <ul style="list-style-type: none"> Construction underway. 		
		Victoria Street: <ul style="list-style-type: none"> Funding and concept design approved and detailed design commenced. 	Victoria Street: <ul style="list-style-type: none"> Detailed design completed and construction commenced. 	Victoria Street: <ul style="list-style-type: none"> Full construction work underway with construction commencing in southern block. Victoria Street: <ul style="list-style-type: none"> Major construction works completed by end of June. Minor additional works may continue. 		
		Lombard Lane: <ul style="list-style-type: none"> Design brief being confirmed. 	Lombard Lane: <ul style="list-style-type: none"> Concept design completed. 	Lombard Lane: <ul style="list-style-type: none"> Detailed design completed. Lombard Lane: <ul style="list-style-type: none"> Tender documents prepared and construction programme agreed with developer. 		
		TRANSPORT	Island Bay to City Cycle route: <ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	Island Bay to City Cycle route: <ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation completed. Committee to make decision. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	Island Bay to City cycle route: <ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) construction commences. Section two (Wakefield Park to John St) public consultation completed. Report to Committee. Island Bay to City cycle route: <ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) construction completed. Section two (Wakefield Park to John St) Committee decision on preferred option expected. Planning for preferred option. 	
			Johnsonville road improvements: <ul style="list-style-type: none"> Broderick Rd Bridge construction started. 	Johnsonville road improvements: <ul style="list-style-type: none"> Broderick Rd Bridge construction continues. 	Johnsonville road improvements: <ul style="list-style-type: none"> Broderick Rd Bridge construction continues. State Highway One off-ramp work commences. Other work commences: Signal works, street and crossing upgrades, and pedestrian and cycling improvements. Johnsonville road improvements: <ul style="list-style-type: none"> Broderick Rd Bridge construction completed. State Highway One off-ramp work continues. Other work continues: Signal works, street and crossing upgrades, and pedestrian and cycling improvements. 	
	Public Transport Spine: <ul style="list-style-type: none"> Undertake core spine assessments to determine physical corridor constraints and detailed assessment of core routes based on integration with the Council's cycle planning. 					



APPENDIX 1: QUARTERLY REPORT

1 July 2014 – 30 September 2014

PERFORMANCE SUMMARY: BY ACTIVITY AREA

Table of Contents

1. GOVERNANCE	2
2. ENVIRONMENT	2
3. ECONOMIC DEVELOPMENT	6
4. CULTURAL WELLBEING	8
5. SOCIAL AND RECREATION	10
6. URBAN DEVELOPMENT	13
7. TRANSPORT	15

1. GOVERNANCE

Pārongo ā-Tāone

We want to maintain confidence in our decision-making.

We have an obligation to ensure the views of Māori and mana whenua are heard.

WHAT WE DO

- Governance, information and engagement
- Māori and mana whenua partnerships.

HIGHLIGHTS OF THIS QUARTER

- We improved transparency and access by live streaming Council meetings.
- We adopted our annual report. The first local authority in the country to do so.
- We introduced a mid-term capex review. This resulted in \$15 million of investment in the city.
- The Council voted to retain Single Transferable Voting (STV) for the next triennial elections.
- The June/July Matariki and Māori Language Week programme of events was delivered.
- Our contact centre was the winner of the 2014 ALGIM Ultimate Customer Service Award.

SIGNIFICANT VARIANCES TO PERFORMANCE¹:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance explanation
Council, committee and subcommittee reports that are made available to the public five days prior to the meeting (%)	56%	80%	(30%)	We continued to achieve 100% for our statutory target to making reports available two days prior to meetings. Tight deadlines between Audit and Risk Subcommittee meetings and those of the Governance, Finance and Planning Committee have caused delays in getting agendas out.
Satisfaction with City Archive services and facilities	100%	90%	11%	

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
1.1 Governance, Information & Engagement	3,298	3,565	267	14,221	14,213
Under budget due to vacancies and timing of work programmes.					
1.2 Māori Engagement (mana whenua)	65	56	(9)	225	225
TOTAL	3,364	3,622	258	14,446	14,438

CAPITAL EXPENDITURE

No significant variances.

¹ Areas where performance varied from budgeted expectations by more than 10%.

2. ENVIRONMENT

Taiao

We aim to protect and enhance Wellington's natural environment.

WHAT WE DO

- Gardens, beaches and green open spaces
- Waste reduction and energy conservation
- Water
- Wastewater
- Stormwater
- Conservation attractions.

HIGHLIGHTS OF THIS QUARTER

Gardens and green open spaces

- The Botanic Gardens of Wellington Management Plan was approved by the Environment Committee.
- The Wellington Town Belt Bill was approved by the Council. The Bill will now be introduced into Parliament by the MP for Wellington Central, Grant Robertson.
- Mt Victoria master planning is underway – this is one of the key objectives under the Wellington Town Belt Management Plan 2013.
- The draft Suburban Reserves Management Plan was approved for public consultation.
- 16,880 plants were planted through the Council restoration planting programme and 18,371 plants were distributed to community groups.
- Habitat the Game smartphone app was launched in collaboration with the Department of Conservation.
- A series of videos were shot to demonstrate best practice restoration planting for public use.
- Otari Curator's house (Leonard Cockayne Centre) reconfiguration completed and officially opened.
- The Spring Festival was completed with partners reporting especially high levels of bookings this year on the back of a new marketing approach.
- Further consultation was undertaken with the Accessibility Advisory Group, kaumatua and children for the Wellington Botanic Garden Children's Garden.
- *Seaweek* events in the Wellington region were coordinated with NZ Association for Environmental Education.
- Our Living City grants were approved for five projects.

Waste reduction and energy conservation

- Smart Energy challenge – Aro Solar installed a solar PV system on the Aro Valley Community Centre.
- 77 insulation retrofits were completed as part of our Warm Up Wellington partnership with EECA, CCDHB, Hutt Mana Charitable Trust and the Sustainability Trust.
- 141 home assessments were completed as part of the Home Energy Saver programme.

- *Kai to Compost*, our food waste collection is up 7 percent up on last year's volumes, coupled with a 21 percent increase in revenue.
- Since May, our project to increase waste diversion at the Southern Landfill transfer station has diverted an estimated additional 24 tonnes for re-sale in the Second Treasures shop. Income for the shop is 28 percent above the same period last year.

Water, wastewater and stormwater

- Karori Road and Redwood Road water pumping stations were renewed.
- A demonstration of the Aquarius water conservation education display unit at the Wellington Home & Garden Show raised awareness of the value of low-flow shower heads and fixing leaks.
- Wastewater pipes at pump station 38 (Island Bay) were renewed.
- Renewal of the stormwater pipeline through Massey University is 70 percent complete. The stormwater drain at Main Road Tawa was renewed.

Conservation attractions

- In September, the Wellington Zoo opened its new Grassland Cats habitat featuring servals and New Zealand's first caracal exhibit.
- 297 children attended the Zealandia Kids by Night tours.

SIGNIFICANT VARIANCES TO PERFORMANCE²:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Freshwater sites (%) within acceptable faecal coliform counts	81%	95%	(14%)	Investigations are under way for the four areas where water quality is poor. Our investigations are ongoing. We have found some faults in the public and private networks, which we have corrected.
Visitors to the Zoo	45,000	50,286	(11%)	The Zoo expects to achieve its target at year-end.
Visitors to Zealandia	14,458	19,950	(26%)	Poor weather on peak days has affected visitor numbers. Visitor numbers may have been under-recorded because of technical issues. The Trust expects to resolve these issues in the next quarter and achieve its year-end target.
Zealandia – education programme attendees	1,547	2,371	(35%)	The Trust expects to achieve its year-end target.

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	6,998	7,075	78	28,156	28,176
2.2 Waste Reduction & Energy Conservation	276	363	87	741	280
Under budget due to higher revenue from waste minimisation activities and lower than forecast contract costs due to delayed CPI increases.					
2.3 Water	9,126	9,960	835	37,229	39,879
Under budget due to lower depreciation and insurance costs.					
2.4 Wastewater	9,453	10,077	624	38,132	40,377
Under budget due to lower depreciation and insurance costs.					
2.5 Stormwater	4,143	4,662	519	17,350	18,647
Under budget due to lower depreciation and timing variances on the sump cleaning programme.					
2.6 Conservation Attraction	2,404	2,440	36	6,137	6,126
TOTAL	32,399	34,578	2,178	127,745	133,486

² Areas where performance varied from budgeted expectations by more than 10%.

CAPITAL EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	706	499	(207)	3,073	3,073
Over budget due to the capital programme being ahead of schedule. Costs are expected to be in line with budget at year end.					
2.2 Waste Reduction & Energy Conservation	24	76	52	979	979
Under budget due to the need to explore options for the Southern Landfill extension project.					
2.3 Water	1,688	1,660	(28)	13,361	13,004
2.4 Wastewater	710	734	24	7,745	7,745
2.5 Stormwater	1,482	1,050	(432)	4,255	4,255
Over budget due to construction on stormwater renewal programme being ahead of schedule.					
2.6 Conservation Attraction	159	233	74	4,160	4,160
TOTAL	4,769	4,252	(518)	33,573	33,216

3. ECONOMIC DEVELOPMENT

Whanaketanga ōhanga

By supporting city promotions, events and attractions, we underscore Wellington's reputation as a great place to live and visit.

WHAT WE DO

- City promotions and business support

HIGHLIGHTS OF THIS QUARTER

- Joint public consultation with GWRC on the proposal to establish the Wellington Regional Economic Development Agency (WREDA) was undertaken. On 30 September, Wellington City Council (WCC) approved the establishment of WREDA. WREDA will include the following functions and organisations:
 - Positively Wellington Tourism (WCC)
 - Positively Wellington Venues (WCC)
 - Major Events (WCC)
 - Destination Wellington (WCC)
 - Grow Wellington (GWRC)
- Work commenced on assessing the requirements for an indoor performance arena for Wellington.

Positively Wellington Tourism

- The *Tyrannosaurs - Meet the Family* campaign was launched in partnership with Te Papa.
- Represented the Wellington Region at KiwiLink India in July, training travel agents and talking to travel sellers ahead of the ICC Cricket World Cup 2015. Attended KiwiLink South East Asia in September along with agent training seminars in Singapore, Jakarta and Perth.
- Wellington hosted the AFAC international conference, with over 900 delegates from Australia, NZ and the Pacific. The conference resulted in an economic impact of over \$1 million for the city.

Wellington Museums Trust

- Capital E National Theatre for Children toured *An Awfully Big Adventure* through New Zealand, reaching more than 5,600 young people to date.
- City Gallery Wellington had excellent attendance of 55,135 for the exhibition *Seung Yul Oh: MOAMOA A Decade*.
- The introduction of an Open Late season (a programmed late night the first Thursday of the month) has proven to be a popular addition to the public programme/event schedule at City Gallery Wellington.

SIGNIFICANT VARIANCES IN PERFORMANCE³:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Council supported events	134,564	95,000	42%	Estimated attendance at the LUX light festival was above forecast.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	7,689	7,761	71	24,723	23,774
TOTAL	7,689	7,761	71	24,723	23,774

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	196	402	206	2,471	2,471
Under budget due to renewal works on Positively Wellington Venues being behind the schedule. Costs are expected to be in line with budget at year end.					
TOTAL	196	402	206	2,471	2,471

³ Areas where performance varied from budgeted expectations by more than 10%.

4. CULTURAL WELLBEING

Oranga ahurea

Supporting arts activity adds vibrancy to the city as well as promoting inclusive, tolerant and strong communities.

WHAT WE DO

- Arts and cultural activities

HIGHLIGHTS OF THIS QUARTER

- Paint Up 2014 workshops began. Paint Up is a schools' mural project that we piloted last year. It is now an annual community art project.
- We are developing murals on bus shelters prone to graffiti. Mica Still completed a mural on a bus shelter in Newlands and Michelle Carlton will paint a shelter in Newtown.
- The Toi Pōneke Review Report was delivered to the Economic Growth and Arts Committee. All report recommendations were agreed to.
- Toi Pōneke delivered three exhibitions – *Here we are...Home at Last* by Negin Dastgheib & Jessica Hubbard, *Lest We Go Ashore* by Shaun Mathews, and *Abstract / Ethics* by Robbie Whyte.
- We decided to fund three projects under the Public Art Fund. They are a guide to Wellington's permanent public art – *Art & About*; a project to highlight the history of the Embassy Theatre; and the final development of Kedron Parker's *Kumutoto Stream*, which will become a permanent installation.
- The Public Art Funded project, *Miniature Hikes*, began with the siting of artists Kemi Niko & Co.'s first miniature hut in Mount Cook.
- A new exhibition, *It's Love, Isn't It?* by Sarah Jane Parton was installed in the Courtenay Place Park light boxes.
- The City Art Collection was relaunched online, with the creation of virtual exhibitions providing easier access to the collection.
- The annual Artsplash Children's Festival took place between 2 and 12 September. This is New Zealand's largest participatory arts festival for primary and intermediate students. 8,000 children from almost 100 schools from across the Wellington Region took part in the festival.
- Construction of apartment at Clyde Quay Wharf for visiting international artist in residence commenced.

SIGNIFICANT VARIANCES IN PERFORMANCE⁴:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Arts and Cultural festivals	4,000	12,000	(67%)	Festival attendance is typically low during the first quarter of the year. We expect attendance to increase during the next two quarters.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	6,544	6,809	265	18,012	17,190
Under budget due to timing variances for cultural grant allocations.					
TOTAL	6,544	6,809	265	18,012	17,190

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	0	0	0	356	356
TOTAL	0	0	0	356	356

⁴ Areas where performance varied from budgeted expectations by more than 10%.

5. SOCIAL AND RECREATION

Pāpori me te hākinakina

We provide a wide range of services throughout the city to encourage quality of life and healthy lifestyles.

WHAT WE DO

- Recreation promotion and support
- Community support
- Public health and safety.

HIGHLIGHTS OF THIS QUARTER

Recreation promotion and support

- \$250,000 funding received from New Zealand Community Trust for “Youth in Sport” programme at ASB Sports Centre and the Dragon Boat Festival.
- The new Education Noticeboard newsletter was developed for primary schools. The newsletter informs communities about relevant programmes, events and initiatives and will be produced each term.
- We initiated three Dodgeball events at Kilbirnie and Karori Recreation Centres. Dodgeball is very popular with young adults and attracts them to our recreation centres.
- We worked with Wellington Mountain Biking to establish beginners programmes at the South Coast Kids Track.
- We liaised with corporates about sponsoring community sport programmes, events and initiatives (MADD Gear Action Sports, Hasbro, Frucor, HART & Dynamic Sport).
- We hosted the Trans Tasman Cup (NZ v AUS Futsal series), Steve Adams Basketball Camp, and several national level sports events.
- The drainage upgrade at Nairnville Park was completed and we began work on the drainage upgrade at Redwood Park.
- We began work to replace the roof on the Newtown Park grandstand.
- We tendered and awarded a contract for renewal works at Martin Luckie Pavilion.

Community support

- Kim Hill chaired a panel discussion with section winners of the New Zealand Post Book Awards, which more than 100 people attended.
- We are coordinating projects for Neighbours Day Aotearoa 2015, and youth development workshops for the eastern suburbs.
- Emergency water tanks were installed in Karori West and Churton Park Schools.
- We are implementing the graffiti removal programme, including a volunteer programme with *BNZ Closed for a Day*, with communities, businesses and the Police.
- We are working with WREMO to implement training for welfare registration – scenario planning for welfare response and working with regional public health to plan for a pandemic response.
- We hosted discussions with licensees to re-establish Wellington Licensee Forum/Capital Hosts, encouraging joint action to reduce alcohol-related harm.
- We held a Tenant Open Forum with over 40 housing tenants giving us direct feedback on our services.

- We launched Discover Your Talents and Job Club initiatives to help housing tenants with literacy and finding employment.

Public Health and safety

- We are partnering with the New Zealand Police to prevent crime in car parks. The initial work involves working with private providers – Wilson Parking and Tournament Parking – and a prevention education programme.
- The Wolfpack app continues to be used and promoted as part of the student orientations.
- We are partnering with the Police to improve neighbourhood safety in Strathmore. Initiatives include playground improvements, graffiti removal and a planned community evening near the Palmer Head bunkers.
- Our local host team continues to provide a valuable service in the central city and has now expanded to trial a presence in Kilbirnie, Miramar and Newtown.

SIGNIFICANT VARIANCES IN PERFORMANCE⁵:

SERVICE DELIVERY

Measure	Actual	Target	Variance	Variance Explanation
Visits to facilities – recreation centres	94,837	108,100	(12%)	This result is mainly from lower than expected visits to the Nairnville Recreation Centre.
Visits to facilities: ASB Sports centre (peak)	95,132	110,906	(14%)	Weekday evening and Saturday usage was strong but Sunday usage was low. Initiatives to increase Sunday activities will be implemented.
ASB Sports Centre courts utilisation (off-peak)	42%	35%	21%	
ASB Centre courts utilisation (peak)	59%	71%	(16%)	Weekday evening and Saturday usage was strong but Sunday usage was low. Initiatives to increase Sunday activities will be implemented.
Libraries website visitor sessions	927,215	300,000	209%	In 2012/13 we changed the measurement methodology. We expected results to decrease and we reduced the target accordingly. The expected decrease has not occurred and we will review the target during the development of the next long-term plan.
Library programmes – estimated attendees	22,337	17,500	28%	This year, we increased the target for this measure but results are still above forecast. We will review the target during the development of the next long-term plan.
Occupancy rates (%) of Wellington City Council Community Centres and Halls	37%	45%	(18%)	We changed the methodology for this measure, which now combines community centres and community halls. We also set a new stretch target that we will struggle to meet by year-end.
Percentage of inspections carried out for high risk premises (category 3) carried out during high trading hours.	18%	25%	(29%)	No inspections were completed in July or August because of staff vacancies. Inspections picked up during September and we expect to achieve the year-end target.
Percentage of planned inspections carried out for high risk (category 3) premises	14%	25%	(44%)	No inspections were completed in July or August because of staff vacancies. Inspections picked up during September and we expect to achieve the year-end target.

⁵ Areas where performance varied from budgeted expectations by more than 10%.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	6,462	6,317	(145)	26,184	25,126
Over budget due to maintenance costs ahead of budget. Costs are expected to be in line with budget at year end.					
5.2 Community Support	4,694	5,384	690	16,095	16,821
Under budget due to City Housing savings in interest, depreciation and insurance costs.					
5.3 Public Health and Safety	2,079	2,032	(47)	8,832	8,281
TOTAL	13,235	13,733	497	51,111	50,228

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	2,076	1,976	(100)	7,243	7,243
Slightly over budget as work ahead of schedule. Costs are expected to be in line with budget at year end.					
5.2 Community Support	4,469	5,971	1,501	22,222	22,222
Under budget as Housing work is behind budget, this is mainly related to the Housing Upgrade Project. Costs are expected to be in line with budget at year end.					
5.3 Public Health and Safety	238	59	(179)	1,142	1,310
Over budget as costs incurred earlier than budgeted for the renewal of the Newtown Park Grandstand.					
TOTAL	6,783	8,006	1,223	30,607	30,775

6. URBAN DEVELOPMENT

Tāone Tupu Ora

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

WHAT WE DO

- Urban planning, heritage and public spaces development
- Building and development control.

HIGHLIGHTS OF THIS QUARTER

- We have had an increase in Commercial Consents related to earthquake strengthening.
- The first tranche of special housing areas was approved by Council as part of the implementation of the Housing Accord signed with the Government.
- A memorandum of understanding was signed by the Council, Ministry for Culture and Heritage, and Port Nicholson Block Settlement Trust for the future use and development of Shelly Bay and Watts Peninsula.
- The re-hearing before the Environment Court in relation to the proposed demolition of the Harcourts building has been heard.
- Over \$205,000 was allocated to 11 applicants in the first round of the Built Heritage Incentive Fund. Recipients include Wesleyan Methodist Church, St Mary's Anglican Church, Owhariu Community Hall and Wellington Rowing and Star Boating Clubs, supporting their upcoming seismic strengthening projects.
- The green man signalling pedestrian crossings at eight traffic lights in the Parliamentary precinct were replaced with a silhouette of Kate Sheppard, drawing attention to the 121st anniversary of New Zealand women gaining the right to vote, the day before the 2014 General Election.
- The Tinakori Road enhancements are nearing completion and have been well received.
- The Opera House Lane improvements were completed.
- Civic Precinct (scoping) study commenced, with concept proposals for Mercer Street, Civic Square and Illott Green being explored.
- Concept design, stakeholder engagement and costings for Bond Street have started.
- Concept design and stakeholder engagement are progressing for Masons Lane.

SIGNIFICANT VARIANCES IN PERFORMANCE⁶:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Noise control (excessive noise) complaints investigated within one hour	99%	90%	10%	All but three of the 369 noise complaints received were investigated within one hour.
Resource consents that are monitored within three months of project commencement	99%	90%	10%	Only one site was not monitored within three months of project commencement.
Earthquake strengthened council buildings: programme achievement	Partially-Achieved	Achieved	n/a	Work on the Town Hall and Portico are ongoing.
Earthquake prone building notifications that are issued without successful challenge	67%	100%	(33%)	A notification was successfully challenged on one building.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	2,693	2,882	190	11,649	11,951
Under budget due to timing variances on maintenance expenditure and lower insurance costs both relating to Waterfront assets.					
6.2 Building & Development Control	2,110	1,824	(286)	7,889	7,319
Over budget due to resource consent revenue behind budget and contracts and professional fees over budget in earthquake prone building assessment. At this stage this is expected to be mainly a timing variance.					
TOTAL	4,803	4,706	(97)	19,537	19,270

CAPITAL EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	996	441	(555)	17,279	17,159
Over budget due to timing variances on the Victoria St, Clyde Quay Wharf Artist in Residence and Parliamentary Precinct projects					
6.2 Building & Development Control	1,087	1,122	35	5,558	5,558
TOTAL	2,083	1,562	(521)	22,837	22,717

⁶ Areas where performance varied from budgeted expectations by more than 10%.

7. TRANSPORT

Waka

We manage the transport network so it is sustainable, safe and efficient.

WHAT WE DO

- Transport
- Parking.

HIGHLIGHTS OF THIS QUARTER

Parking

- From 1 July 2014, Parking Services has been provided as an in-house operation with a focus on customer service, education and ambassadorial roles in Wellington City. We have had compliments from the public and retailers about the customer service, energy and enthusiasm of the team.

Temporary Road Use Compliance

- Approved 1090 Corridor Access Requests for Utility Network maintenance and other temporary activities on the transport network, monitoring activity as appropriate.
- Provided 491 approvals for significant temporary traffic management plans.

Other

- We installed LED street lighting in Courtenay Place, Allen Street and Blair Street. Planning and design work for the installation of LED lights in Cuba Mall commenced.
- LED street lights were installed in Grenada Road.
- We installed larger rubbish bins in Oriental Parade and Courtenay Place.
- We worked with developers to enable LED lights to be installed in new development areas of Woodridge.

SIGNIFICANT VARIANCES IN PERFORMANCE⁷:

SERVICE DELIVERY

No significant variances.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	9,405	9,845	439	39,354	39,114
Under budget mainly due to lower depreciation costs.					
7.2 Parking	(3,610)	(3,388)	222	(13,773)	(14,086)
Under budget due to staff vacancies and savings in debt collection costs.					
TOTAL	5,795	6,457	662	25,581	25,028

⁷ Areas where performance varied from budgeted expectations by more than 10%.

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	5,718	6,648	930	43,930	39,623
Under budget due to timing variances on work programmes, predominantly pre-seal preparations for renewals and shape and camber corrections, both as a result of unfavourable weather conditions.					
7.2 Parking	0	8	8	180	180
TOTAL	5,718	6,655	937	44,111	39,803

REVIEW OF ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2014

Purpose

1. This report provides the committee with a review of the annual reports submitted by Council Controlled Organisations (CCOs) for Council approval in compliance with the requirements of the Local Government Act 2002. A separate report analysing the entity's performance is attached as an appendix to this report.

Recommendation

That the Transport and Urban Development Committee:

1. Receive the information.
2. Note any issues for the Chair to raise with Wellington Cable Car Limited.

Background

2. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a council organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
 - The Council's objectives for the organisation
 - The desired results, as set out in the organisation's Statement of Intent
 - The Council's overall aims and outcomes.
3. The Transport and Urban Development Committee is tasked with the assessment of the efficiency and effectiveness of Wellington Cable Car Limited (WCCL)

Discussion

4. An audited annual report has been received from WCCL for consideration by the committee and is included in the covering report that is attached as an appendix.
5. The audited annual report has been reviewed by officers to assess any risks or issues from the perspective of Council's shareholder interest. Any significant issues that were identified have been discussed with WCCL.
6. Representatives from WCCL will attend the meeting to present their Annual Report and answer any questions from the Committee.
7. If the Committee needs to clarify further the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek a response from the Board Chair.

Attachments

Attachment 1.	Analysis of Annual Report to 30 June 2014	Page 109
Attachment 2.	30 June 2014 Annual Report and audit clearance letter	Page 112

Author	Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable

Treaty of Waitangi considerations

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit and mana whenua as part of normal operations.

Financial implications

There are no financial implications associated with this report.

Policy and legislative implications

This report is consistent with existing WCC policy.

Risks / legal

No risks have been identified with this report. A Statement of Intent is a legal requirement for CCOs under the Local Government Act 2002.

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

WELLINGTON CABLE CAR LIMITED

ANNUAL REVIEW TO 30 JUNE 2014

EXECUTIVE SUMMARY

Wellington Cable Car Ltd (WCCL) underwent significant change during the financial year in review.

- Simon Fleisher joined as Chief Executive on 14 October 2013 replacing Des Laughton.
- In response to a strategic review of CCOs, Council decided to restructure the Board and appointed Council officers to the board. Departing board members were Roger Drummond (Chair), Nicki Crauford and Anthony Briscoe. Andy Matthews (Chief Financial Officer) and Anthony Wilson (Chief Asset Officer) were appointed to the board of WCCL on 1 April 2014. Anthony Wilson is the Chair of the board.

The new passenger terminal building at Kelburn was completed in December 2013 and opened by Mayor Celia Wade-Brown on 27 February 2014. The project was financed using the company's resources without the need for external grants or borrowings.

Cable Car passenger numbers were down on budget and below prior year figures due mainly to the Kelburn Terminus redevelopment and reduced cruise ship passenger numbers. However, figures for Q1 are above the same period last year but lower than prior years. Fare income has grown and for the 2013/14 year exceeded the prior year despite approximately 106k less passenger trips than 2012/13.

Greater Wellington Regional Council (GWRC) released its Regional Public Transport Plan 2014 which includes the intention to cease Trolley Bus passenger services in Wellington when the current tranche of passenger service contracts expire on 30 June 2017. WCCL is working closely with GWRC regarding its intention. The maintenance services provider contract was successfully renewed with Transfield Services Limited for a further 3 years until 30 June 2017. Trolley Bus pole-user revenue has increased subtly and new user licence agreements have been signed with CityLink and Chorus for broadband hardware installation.

Profit Before Tax (PBT) from normal trading activities was \$557k and exceeded budget by \$61k despite the lower Cable Car passenger numbers. PBT and income tax subventions was \$327k due to an impairment of \$230k for the overhead network that resulted from GWRC's decision to cease operations in June 2017. The subventions included payments of \$208k required for the 2012/13 financial year plus the accrued amount estimated for the 2013/14 year (\$118k), to align with financial reporting best practice. After funding the Kelburn Terminus redevelopment from its investments and cash on hand, the company still retained cash and short term investments of \$737k at year end.

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE (\$'000)	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	Draft 30-Jun-14	Budget 30-Jun-14	Variance 30-Jun-14
Total Revenue	6,351	8,927	8,415	6,647	7,979	11,732	-3,753 ✗
Operating Expenses	5,867	6,443	7,233	6,418	7,653	11,466	-3,813 ✓
PBT & Subventions	484	2,483	1,181	229	327	266	61 ✓
Profit After Tax	431	1,833	633	254	0	266	-266 ✗
Other Comprehensive Income	52	(1,697)	0	(176)	0	0	0 ✓
Total Comprehensive Income	483	137	633	78	0	266	-266 ✗
FINANCIAL POSITION							
Total Assets	8,438	8,958	10,682	9,928	9,811	9,850	-39 ✗
Total Liabilities	1,560	1,942	3,042	2,305	2,189	2,227	-38 ✓
Equity	6,878	7,017	7,639	7,623	7,623	7,623	0 ✓
CASH FLOWS							
Net Operating Cash Flows	237	2,638	576	816	(132)	802	-934
Net Investment Cash Flows	(40)	(2,408)	(1,025)	(49)	(758)	(1,056)	298
Net Financing Cash Flows	(130)	0	(10)	(94)	0	281	-281
Total Net Cash Flows	67	230	(459)	672	(890)	27	-917 ✗
Opening Cash	837	905	1,136	677	1,348		
Closing Cash	905	1,136	677	1,348	458		

Revenue (and expenditure) in the company's overhead network division was below the SOI forecast due to the postponement of the majority

CONTACT OFFICER

WARWICK HAYES

WELLINGTON CABLE CAR LIMITED

ANNUAL REVIEW TO 30 JUNE 2014

SUMMARY FINANCIALS

component of the electrical safety protection project until the 2014/15 financial year. This project is 100% funded by GWRC and is expected to be completed in the year ended 30 June 2015. Notwithstanding the project postponement creating a shortfall against the original budget, total revenue to 30 June 2014 exceeded the prior year. Also, Cable Car fare income improved on the prior year despite lower passenger trips and WCCL returned a profit before tax and subvention payments of \$327k (or \$61k ahead of budget). Income tax and the subvention payment paid to Council reduced WCCL's comprehensive income to zero, which was below budget due to the company not originally forecasting the impact of a double income tax subvention payment in its Statement of Intent for 2013/14.

Net Operating Cash Flow (OCF) was impacted by the income tax subvention payment, resulting in a negative OCF of \$132k for the year. The company invested \$1.857m (net of disposals) on fixed assets balanced by the redemption of cash investments and income thereon totalling \$1.098m. Overall, the company's net Investment Cash Flow was a \$758k outflow for the year. Importantly, the terminus project and other investment activity was funded entirely from the company's resources (i.e. without borrowings) so financing cash flows were zero. This was an improvement on the budget which predicted that the company would borrow \$580k and produce a net financing cash inflow of \$281k for the year after paying dividends. As such, the apparent negative variance (actual vs budget) in total net cash flows of \$917k is misleading because the company did not need to borrow to fund its investments (which, if it had, would have been recorded as a financing cash inflow) and still held \$458k in cash plus a further \$278k in short term investments. All-in-all, the company's \$890k net cash outflow for the year was funded by cash on hand that reduced from \$1.348m at 1 July 2013 to \$458k at 30 June 2014.

KPI DASHBOARD

✓ Achieved ✗ Not Achieved. The table contains a selection of KPIs and not a complete list.

30 JUNE		2010	2011	2012	2013	2014
		Actual	Actual	Actual	Actual	Actual
Passengers	Target	1,230,000	1,146,000	1,109,000	1,092,700	1,084,400
	Actual	1,075,522 ✗	1,056,718 ✗	1,067,634 ✗	1,060,458 ✗	957,483 ✗
*Fare income	Target	1,744	1,840	2,077	2,223	2,355
	Actual	n/a	1,953 ✓	2,014 ✗	2,172 ✗	2,178 ✗

* This is not a KPI.

Kelburn terminus construction, lower cruise ship passenger numbers, seismic events and extreme weather events (severe storms) during the year impacted patronage at the Cable Car and many other city attractions during the year. However, fare income was up on the previous year, but also didn't reach its target due to lower passenger numbers.

ISSUES & OUTLOOK

A strategic marketing review has been undertaken aimed at improving passenger volumes and is now complete. Its purpose is to identify growth opportunities. Recent examples of initiatives undertaken to promote the Cable Car and enhance the passenger experience include the introduction of Snapper (as a payment method), the sponsored tunnel light show that ran during the Festival of the Arts in Feb/Mar 2014 and hosting one of Starship Hospital's Big Egg Hunt venues in Mar/Apr 2014.

Work continues on upgrading passenger facilities (gates, POS and ticketing) which should be completed in December 2014. Planning is underway for the replacement of the Cable Car electric drive, control systems and the vehicles themselves (which are all now 35 years old). These last two items are significant and are likely to require funding assistance.

Despite the decision in June 2014 that the Trolley Bus services will cease on 2017, WCCL still has several years work to maintain the network to continue to meet its legislative, contractual, technical and safety standards.

At the time of writing, WCCL is undergoing a change in its financial reporting status. This is a technical change and is a reversal of a change that was made for the year ended 30 June 2008 when the company changed its status from that of a Public Benefit Entity to a Profit Oriented Entity. In agreement with Audit New Zealand, and under the guidance of the Directors, this status is being reversed such that for the purposes of financial reporting the company will revert from a Profit Oriented Entity to that of a Public Benefit Entity. The intended change does not have

CONTACT OFFICER

WARWICK HAYES

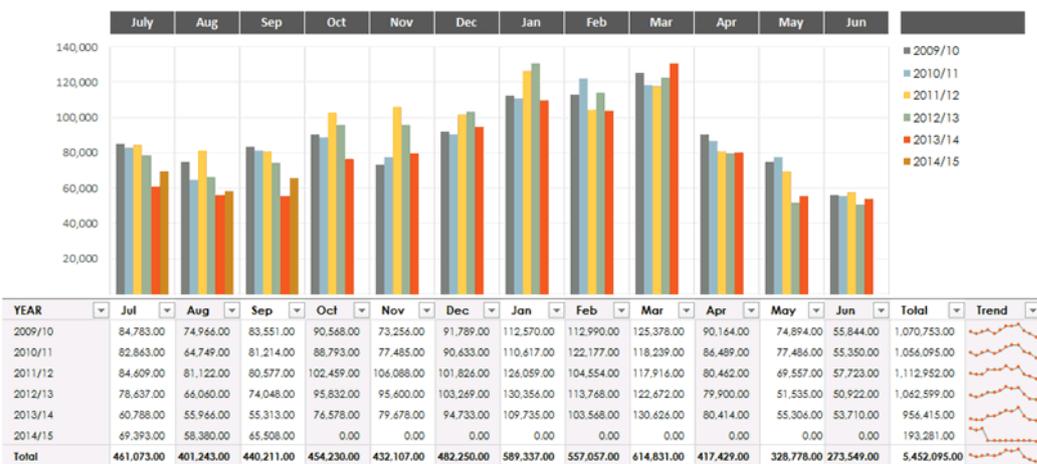
WELLINGTON CABLE CAR LIMITED

ANNUAL REVIEW TO 30 JUNE 2014

any material impact on the reported financial result for the 2013/14 year. This change will simplify and facilitate more accurate financial reporting of the company's expected future performance in response to cessation of the Trolley Bus services and forecast capital investments in the Cable Car business, particularly with respect to valuation of structural, plant and machinery fixed assets.

EFFECTIVENESS INDICATORS

Total Passenger Numbers



Patronage was impacted by the construction of the new Terminus building which was completed during the 2013/14 year. However, the number of passenger trips has improved again in the first quarter of the 2014/15 year and is above the same period in the previous financial year. That said passenger trips have not yet reached prior year levels. The Cable Car is a relatively mature business with limited scope to expand its services or operations outside the cruise ship tourism market (which is important for the Cable Car). Many of its 'new' customers are visitors to Wellington and the cruise ship sector supplies a steady level of patronage. Cable Car passenger traffic is influenced by the volume of seasonal cruise ship passengers. The number of cruise ships booked this summer is down on last season but is projected to rise again in 2015/16.

CONTACT OFFICER

WARWICK HAYES

6 November 2014

49 Victoria Avenue
Palmerston North
PO Box 149, Palmerston North 4440
Fax: 06 356 7794
www.auditnz.govt.nz

Simon Fleisher
Wellington Cable Car Limited
30 Glover Street
Ngauranga
Wellington

Dear Simon

Wellington Cable Car Limited

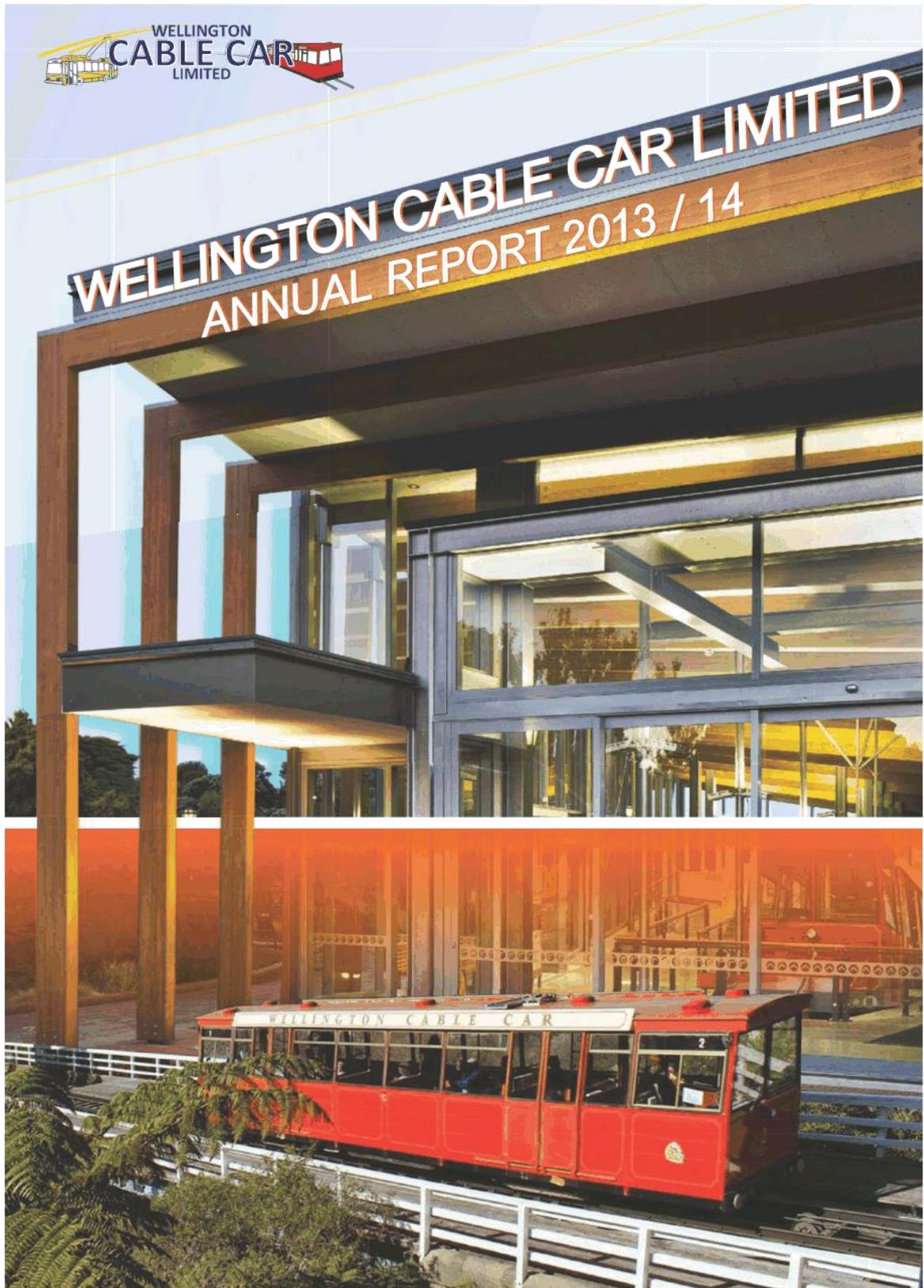
The audit of the Wellington Cable Car is now complete and upon receipt of the Letter of Representation and two sets of accounts I will issue an unmodified audit opinion.

We wish to thank yourself, Bruce and your staff for your assistance upon completion of the audit.

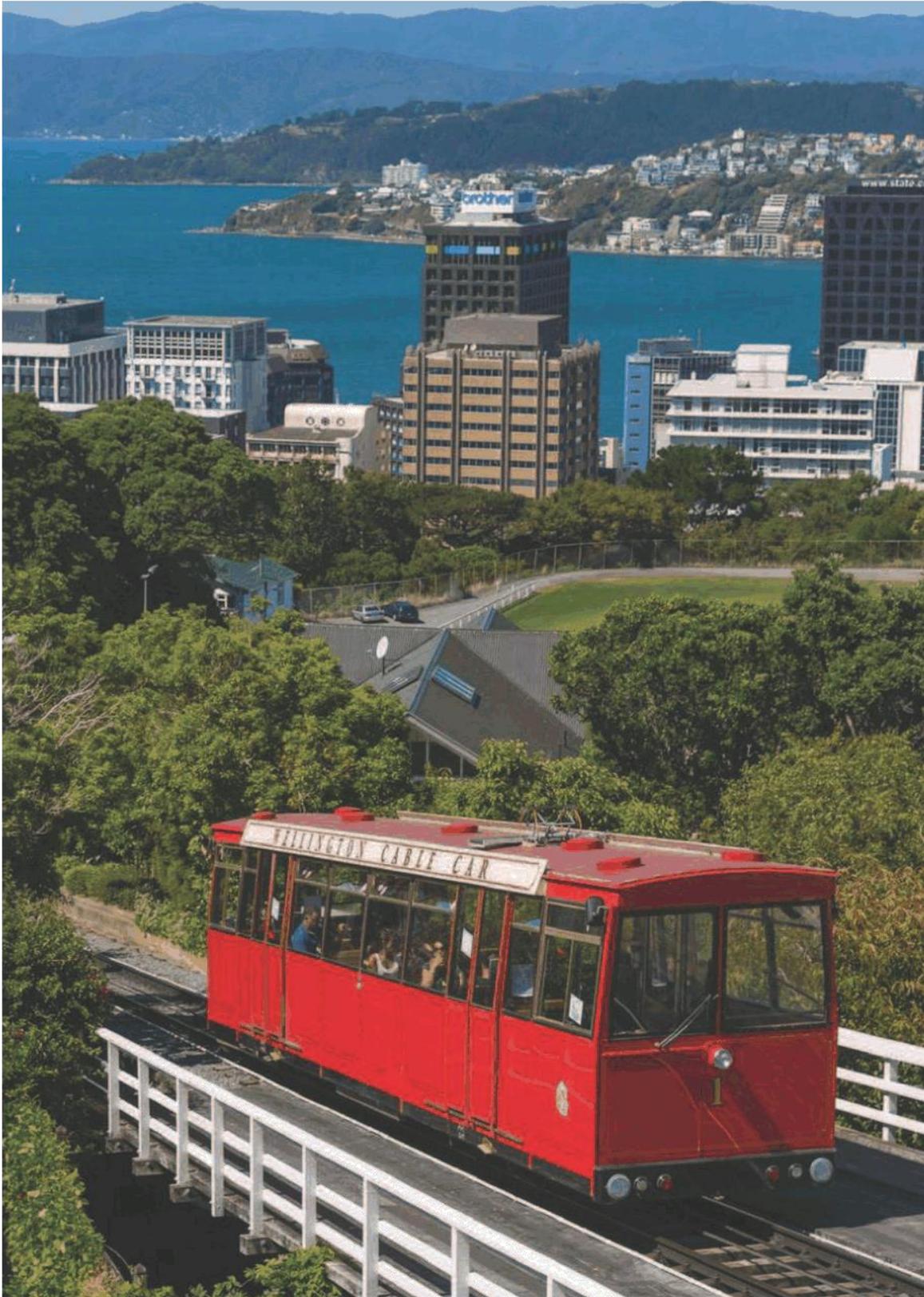
Yours sincerely



Debbie Perera
Associate Director



Item 3.3 Attachment 2



Wellington Cable Car Limited
Annual Report
For the Year Ended 30th June 2014

Contents	Page
Company Directory	1
Chairman's Report	2
CEO's Report	4
<i>Financial Statements</i>	
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Financial Position	10
Cash Flow Statement	12
Notes to the Financial Statements	13
<i>Statement of Service Performance</i>	
Statement of Service Performance	35
Auditor's Report	39

Wellington Cable Car Limited
Company Directory
As at 30th June 2014

Issued Capital	7,434,746 fully paid Ordinary Shares
Registered Office	30 Glover Street Ngauranga Wellington, NEW ZEALAND
Directors	Mr A W Matthews (Appointed 1 April 2014) Mr A E Wilson (Appointed 1 April 2014)
Company Number	502158
Auditors	Audit New Zealand on behalf of the Auditor-General
Bankers	ANZ Limited
Share Registry	Level 4, Civic Administration Building 101 Wakefield Street Wellington, NEW ZEALAND
Solicitors	DLA Phillips Fox
Date of Formation	2 April 1991

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 1 -

Wellington Cable Car Limited Chairman's Report For the Year Ended 30th June 2014

Chairman's Report

This has been a year of significant change for Wellington Cable Car Limited. Change is a constant in any business but this year has been extraordinary by all accounts. The significant changes include a new Board of Directors (as of 01 April 2014), a new CEO (Simon Fleisher joined on 14 October 2013), a brand new Cable Car passenger terminal building at Kelburn and the decision by Greater Wellington Regional Council to end Trolley Bus services in Wellington in 2017. The next 12 months will continue to be busy as the Company has a number of strategic initiatives in hand. These include (a) progressing the long-term renewal of aging Cable Car assets, (b) completing the remaining safety related programme of Trolley Bus network capital works, (c) charting a new strategic direction to follow as the Trolley Bus overhead electrical network enters its final service years and (d) preparing for the introduction of the new Health and Safety at Work Act.

Wellington City Council (which owns the Company) had undertaken a wider strategic review of all of its CCOs and Trusts had decided to restructure the make-up of the Board of Wellington Cable Car Limited. As a result, the previous external Board of Directors (Roger Drummond, Nicki Crauford and Anthony Briscoe) stepped down at the end of March 2014 and were replaced by two of Wellington City Council's Executive Leadership Team - Anthony Wilson (Chief Asset Officer) and Andy Matthews (Chief Financial Officer) as of 01 April 2014.

Roger Drummond served as a Director and Chair since 14 December 2005, and the majestic new terminal building at Kelburn pays testimony to the vision and leadership he inspired in the Company and the outstanding legacy left behind for Wellington residents and visitors as a result of the Board's endeavours. Nicki Crauford continues to serve as a Director for a number of public service organisations including Capacity Infrastructure Services, Watercare Services, Orion New Zealand, the Environmental Protection Agency and the Wellington Rural Fire Authority in addition to her day job as a Senior Consultant at Worley Parsons. Anthony Briscoe has recently moved to Bermuda to take up a new role as the CEO of the Southern Cross Cable Network and is assisting to safeguard New Zealand and Australia's vital internet links across the Pacific. I would like to express my thanks and appreciation to Roger, Nicki and Anthony for their excellent governance and direction to the Company during their respective tenures and wish them well for the future.

Simon Fleisher joined the Company in October 2013 and brings with him a wealth of leadership capabilities, operations management and technical project management experience from the Defence sector and the Electricity industry. As well as his technical background (he is a Fellow of the Institution of Mechanical Engineers), Simon is a graduate of Victoria University's MBA programme as well as the NZDF Command and Staff College. He brings with him a huge amount of energy and enthusiasm that has already been channelled into leading the Company to excel whilst creating an environment within which the employees can thrive and prosper, leading to an engaged and harmonious Company culture that directly benefits our customers.

The new Cable Car passenger terminal building at Kelburn was completed in December 2013 and was proudly opened by the Her Worship the Mayor of Wellington Celia Wade-Brown on 27 February 2014. This new building was architecturally designed by Ric Slessor (of Bevin and Slessor Architects) and built by Fletcher Construction and has transformed the passenger experience at the top of the Cable Car for local residents and visitors alike. This visionary project is the jewel in the crown of our transport operation and has already proven its worth in terms of increased passenger numbers since it opened. I would like to thank our neighbours the Wellington Museums Trust and Panorama Properties (owners of the Boat Café) for their assistance and support during the busy construction phase of the project, and we believe that the end result was definitely worth the wait.

Wellington Cable Car Limited
Chairman's Report
For the Year Ended 30th June 2014

The Cable Car has a secure future as an iconic visitor experience, however investment will be required in the short term to replace the drive and control systems, and in the medium term to replace the cars. The indicative costs of these works are in the order of \$10 Million, which are not able to be funded entirely from operating surpluses. The Board has initiated discussions with Wellington City Council, (as shareholders) about how this might be financed.

Greater Regional Wellington Council (GWRC) released their updated Regional Public Transport Plan on 26 June 2017. This has a number of wide-ranging strategic initiatives that also includes the intention to cease Trolley Bus passenger services in Wellington when the current tranche of passenger services contracts expire on 30 June 2017. The Company is working closely with GWRC to safely manage and oversee the Trolley Bus overhead electrical network through its last remaining service years and commence planning for decommissioning.

The imminent introduction of the new Health and Safety at Work Act marks a step change in fiduciary responsibilities for Directors and Officers with respect to what the new Act defines as "*Persons conducting a business or undertaking (PCBU)*." The Company has already been proactive in working closely with Wellington City Council, Greater Wellington Regional Council and the Electricity Engineers' Association to prepare for the introduction of this new legislation. This Zero Harm approach will continue to ensure that employees, contractors and the general public working on or travelling on our iconic public transport assets continue to enjoy excellent levels of safety.

Wellington Cable Car Limited is a unique CCO that has two sets of iconic and elderly passenger transport infrastructure in its charge, proudly operated and maintained on behalf of Wellington City Council and Greater Wellington Regional Council. Whilst the Trolley Bus network is entering its twilight years, the Cable Car has a very secure future and continues to be loved by Wellington residents and visitors. I am delighted to be the Chair of the Company and look forward to working with its CEO, employees and contractors to continue supporting this infrastructure on behalf of the community.

Anthony Wilson
Chair

Wellington Cable Car Limited

CEO's Report

For the Year Ended 30th June 2014

This is my first Chief Executive's report for Wellington Cable Car Limited and I'm pleased to say that the Company has had an extraordinary year (as already mentioned in the Chair's report) and is blessed with exceptional people. We're one of the smallest CCOs within the Wellington City Council group and employ less than 30 people but our efforts contribute significantly to Wellington's public transport sector with the help and engagement of our employees and subcontractors.

The Company has two operating divisions – the Cable Car (which runs successfully as a profitable division) and the Trolley Bus overhead electrical network (which is directly funded by Greater Wellington Regional Council). Both divisions have been extremely busy throughout the year and the pace of life is increasing as new business activity generates further projects. In addition to the day job of keeping the Cable Car running and the Trolley Bus network operational, the Company has got a number of significant technical projects underway including the replacement of the Cable Car electric drive and the installation of an electrical fault protection system for the Trolley Bus network. A snapshot of some of the year's highlights are outlined below.

Cable Car

The Cable Car completed the construction of the elegant new Kelburn passenger terminal in December 2013 and we were delighted that Her Worship the Mayor of Wellington Celia Wade-Brown officially opened the new building on 27 February 2014. Feedback from the general public has been outstanding and passenger numbers have picked up since completion of construction whilst revenue has also increased.

A strategic marketing review is in hand and, once implemented, should further enhance passengers and revenue, which is vital if we are to be able to continue investing in the Cable Car's future to improve it on behalf of the community we serve. Good examples of the novel initiatives undertaken this year to promote the Cable Car and enhance the quality of the passenger experience include the introduction of Snapper, the Contact Energy-sponsored tunnel light show that ran during the NZ Festival in February / March 2014, and hosting of one of the Starship hospital Big Egg Hunt venues in March / April 2014.

Further work also continues on the upgrade of other passenger facilities including new passenger gates and a point-of-sales and ticketing system which should be completed by December 2014. Initial planning and concept design is underway for the replacement of the Cable Car electric drive, control systems and the Cable Car vehicles themselves as the existing system is now 35 years old. This will also have the additional benefits of increasing passenger capacity and helping to deal with congestion on busy cruise ship days.

Trolley Bus Overhead Electrical Network

The Company proudly operates and maintains Wellington's unique Trolley Bus overhead electric network under contract to Greater Wellington Regional Council. Despite the decision in June 2014 that Trolley Bus services will cease in 2017, we still have many years of hard work remaining to ensure that the network remains operationally available in accordance with the contract and meets all the requisite safety and technical requirements enacted under legislation.

Significant projects in hand or nearing completion include replacement of old network sections in Karori and Hataitai, and further essential, safety-related network section work is planned for Newtown, Karori and Hataitai. In addition, the prototype Trolley Bus Overhead Protection (TBOP) protection cabinet was installed in Kilbirnie in March 2014 and has already proved its worth,

Wellington Cable Car Limited

CEO's Report

For the Year Ended 30th June 2014

significantly improving electrical safety in this area as a result. Further protection cabinets will be installed in a small number of high priority areas to finish this project, which has been technically challenging but has proved the high level of skill and dedication that our employees and contractors possess. I am delighted to say that this novel and innovative project has been nominated for an IPENZ-sponsored New Zealand Engineering Excellence award in the "Excellence in Engineering for Safety" category.

Wellington Cable Car Limited operates and maintains the Trolley Bus overhead electric network in conjunction with a specialist electrical maintenance services provider (Transfield Services Limited, TSL). Earlier this year, the Company and TSL successfully negotiated a 3-year extension to the existing contract which was originally scheduled to end this year. The negotiation process was extremely successful in that it secured improved operational procedures whilst also enhancing the working relationship between both parties and ensuring that maintenance services will continue smoothly through to the end of the current Trolley Bus contract with GWRC (which ends in June 2017).

The Company has also been successful in signing a number of new contracts with various Ultra-Fast Broadband providers such as Chorus and CityLink to licence the installation of their equipment on the Trolley Bus network supporting infrastructure. This provides a small revenue stream that helps to offset network maintenance costs and, just as importantly, it ensures compliance with statutory legislation including the new Health and Safety at Work Act which is due to be enacted during the coming year.

Financial Result

The Company achieved a Net Surplus Before Taxation of \$326,501 for the year comprising \$557,168 from normal trading operations (being Profit before Tax and impairment) and an extraordinary amount of \$230,667 relating to the impairment of the Overhead Network.

The impairment in the carrying value of the Overhead Network is attributable to legislative inability to charge 'existing rights' users for having connections on the WCCL network which had been forecast in previous years. This will be reviewed again in the 2014/15 year as a result of the decision by GWRC to cease Trolley Bus services in 2017 given the structure of the network operations will be better known.

The Company continues to maintain solid cash reserves, which is a very pleasing result taking into consideration the new Kelburn Terminus was 100% funded from operational profits and no external funding or grants were required.

Given the construction of the new Kelburn Terminus, along with reduced cruise ship numbers and abnormal weather and seismic events, Cable Car passenger numbers were less than those originally budgeted,. However it is pleasing to note that passenger revenue in 2013/14 was still an improvement over the prior year.

Wellington Cable Car Limited
CEO's Report
For the Year Ended 30th June 2014

Summary

Wellington Cable Car Limited has had to deal with a lot of externally-directed change over the past 12 months and the employees have reacted magnificently to all of this and ensured that the Company continued to provide a first class service to the community without interruption. The quality of the Company's output is a direct reflection on the pride and professionalism of the employees, and the hard work and dedication that they put in on a daily basis. Whilst Wellington Cable Car Limited has electrical and railway engineering as its technical backbone, it is the people who make the Company what it is and provide the working spirit and culture. As I approach the end of my first year in the role, I would like to thank all of our employees, contractors and, in particular, my senior leadership team (Andrew Cresswell, Matthew Hardy, Gavin MacIntyre and Bruce Jensen) for their sterling efforts and support throughout the year.

Simon Fleisher
CEO

Wellington Cable Car Limited

Financial Statements
For the Year Ended 30th June 2014



Wellington Cable Car Limited
Statement of Comprehensive Income
For the Year Ended 30th June 2014

	<i>Note</i>	2014 \$	2013 \$
INCOME			
Operating Income	4	7,847,947	6,549,832
Interest Income		52,596	97,073
Gain on Disposal		78,839	-
Total Operating Income		<u>7,979,382</u>	<u>6,646,905</u>
EXPENSES			
Operations and general	5	5,707,512	4,320,071
Auditors' remuneration	6	27,781	35,800
Directors' remuneration	8	58,000	60,000
Depreciation	15	256,775	186,666
Loss on Disposal		-	36,360
Amortisation	16	22,797	26,181
Employees remuneration		1,233,781	1,069,612
Operating leases		132,868	125,759
Revaluation/impairment	15	213,367	557,066
Total Operating Expenses		<u>7,652,881</u>	<u>6,417,515</u>
PROFIT BEFORE TAX		<u>326,501</u>	<u>229,390</u>
Income Tax Expense	13	118,441	(155,993)
Subvention Payment Made		208,535	131,102
NET PROFIT/(LOSS) FOR THE YEAR AFTER TAX		<u>(\$475)</u>	<u>\$254,281</u>
OTHER COMPREHENSIVE INCOME:			
Revaluations - Net Gain/(Reduction)	21	-	(244,444)
Income tax (expense)/benefit relating to components of other comprehensive income	21	-	68,444
Other Comprehensive Income		-	(176,000)
TOTAL COMPREHENSIVE INCOME		<u>(\$475)</u>	<u>\$78,281</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Statement of Changes in Equity
For the Year Ended 30th June 2014

	Note	2014 \$	2013 \$
EQUITY AT START OF YEAR		7,623,124	7,639,223
SURPLUS & REVALUATIONS			
Profit/(Loss) after Tax		(475)	254,281
Total Other Comprehensive Income for the Year		-	(176,000)
Total Income and Expense		<u>(475)</u>	<u>78,281</u>
OTHER MOVEMENTS			
Distribution to Owners	7	-	(94,380)
EQUITY AT END OF YEAR		<u><u>\$7,622,649</u></u>	<u><u>\$7,623,124</u></u>
MOVEMENTS IN RETAINED EARNINGS			
Retained Earnings at start of year	21	188,278	28,377
Net Profit/(Loss)		(475)	254,281
Dividends A Shares		-	(94,380)
Retained Earnings at End of Year		<u>187,803</u>	<u>188,278</u>
MOVEMENTS IN RESERVES			
Balance at Start of Year	21	-	176,000
Total Other Comprehensive Income for the Year		-	(176,000)
MOVEMENTS IN ISSUED CAPITAL			
Balance at Start of Year	21	<u>7,434,846</u>	<u>7,434,846</u>
Balance at End of Year		<u>7,434,846</u>	<u>7,434,846</u>
		<u><u>\$7,622,649</u></u>	<u><u>\$7,623,124</u></u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Statement of Financial Position
As at 30th June 2014

	<i>Note</i>	<i>2014</i> \$	<i>2013</i> \$
CURRENT ASSETS			
Cash and cash equivalents		458,214	1,348,438
Short Term Investments		278,368	1,306,312
Taxation		4,679	65
Trade and other receivables	11	1,985,703	1,412,760
Inventories		633,699	844,171
Prepayments		<u>11,532</u>	<u>19,832</u>
Total Current Assets		<u>3,372,195</u>	<u>4,931,578</u>
NON-CURRENT ASSETS			
Property, plant & equipment	15	6,433,395	4,973,680
Intangibles	16	<u>5,874</u>	<u>22,889</u>
Total Non-Current Assets		<u>6,439,269</u>	<u>4,996,569</u>
TOTAL ASSETS		<u>9,811,464</u>	<u>9,928,147</u>
CURRENT LIABILITIES			
GST due for payment		108,265	90,735
Trade and other payables	12	1,362,932	1,577,128
Employee Benefit liabilities		143,666	167,656
Finance leases - current portion	17	<u>3,675</u>	<u>3,110</u>
Total Current Liabilities		<u>1,618,538</u>	<u>1,838,629</u>
NON-CURRENT LIABILITIES			
Finance leases - non-current portion	17	3,188	6,863
Deferred tax liability	14	<u>567,089</u>	<u>459,532</u>
Total Non-Current Liabilities		<u>570,277</u>	<u>466,395</u>
TOTAL LIABILITIES		<u>2,188,815</u>	<u>2,305,024</u>
NET ASSETS		<u><u>\$7,622,649</u></u>	<u><u>\$7,623,123</u></u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Statement of Financial Position
As at 30th June 2014

	<i>Note</i>	2014 \$	2013 \$
Represented by:			
EQUITY			
Share capital	21	7,434,846	7,434,846
Reserves	21	-	-
Retained Earnings	21	<u>187,803</u>	<u>188,278</u>
TOTAL EQUITY		<u><u>\$7,622,649</u></u>	<u><u>\$7,623,124</u></u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.
For and on behalf of the Board :

Director _____ Director _____

Date

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Statement of Cash Flow
For the Year Ended 30th June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from operations		7,349,737	6,961,959
Payments to suppliers and employees		(7,205,709)	(5,968,143)
Payments of Tax		(15,499)	(27,802)
Subvention payment		(208,535)	(131,102)
Goods and services tax (net)		(51,766)	(19,358)
<i>Net cash from operating activities</i>	9	(131,772)	815,554
Cash flows from investing activities			
Receipts from interest		68,282	99,290
Disposal of property, plant and equipment		33,089	-
Purchase of property, plant and equipment		(1,889,890)	(378,142)
Investment in term deposits		1,308,435	229,432
Matured Investment in term deposits		(278,368)	
<i>Net cash from investing activities</i>		(758,452)	(49,420)
Cash flows from financing activities			
Dividend		-	(94,379)
<i>Net cash from financing activities</i>		-	(94,379)
Net (decrease)/increase in cash and cash equivalents		(890,224)	671,755
Cash and cash equivalents as at the beginning of the year		1,348,438	676,683
Cash and cash equivalents at the end of the year		<u>458,214</u>	<u>1,348,438</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of Wellington Cable Car Limited ('the company'). Wellington Cable Car Limited is a company wholly owned by Wellington City Council and is registered under the Companies Act 1993. It is a Council-controlled Organisation as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of the Company is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Company has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements are for the year ended 30 June 2014 and were approved by the Board of Directors on 13 November 2014.

Statement of Compliance

The financial statements of Wellington Cable Car Limited have been prepared in accordance with the reporting requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and they comply with NZIFRS as appropriate for public benefit entities.

Other accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Measurement Base

The financial statements of Wellington Cable Car Limited have been prepared on an historical cost basis, except where modified by the revaluation of trolley bus overhead lines.

The information is presented in New Zealand dollars.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Standards, amendments, and interpretations issued but not yet effective and have not been early adopted, and which are relevant to the Company, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 13 -

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Company will be eligible to apply the reduced disclosure regime (Tier 2 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore, the Company will transition to the new standards in preparing its 30 June 2015 financial statements. The Company has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Specific Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Differential Reporting

The company is a qualifying entity within the Framework for Differential Reporting. The company qualifies on the basis that it is not publicly accountable and there is no separation between the owners and governing body of Wellington Cable Car Limited. The Company has applied all differential reporting exemptions except Statement of Cash Flows and income tax.

(b) Judgements and Estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised when the revision affects only that period. If the revision affects both current and future periods, it is reflected in the current and future periods.

Judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

(c) Property, Plant & Equipment

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Measurement

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. In accordance with IAS 23, borrowing costs are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

Trolley bus overhead

The Traction network is valued at its fair value based on a discounted cash flows approach to their valuation. This valuation is completed annually as at 30 June using a model prepared by PricewaterhouseCoopers. Between valuations, expenditure on asset improvements is capitalised at cost only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

Cable Car Asset

The Cable Car assets are valued at cost and reviewed annually to ensure their carrying value is appropriately recorded in the financial statements.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Income, unless the asset is carried at a re-valued amount in which case any impairment loss is treated as a revaluation decrease.

Revaluations

The result of any revaluation of the Cable Cars infrastructure asset is credited or debited to the asset revaluation reserve for that asset. Where this results in a debit balance in the reserve, the balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised firstly in the Statement of Comprehensive Income up to the amount previously expensed, and then secondly credited to the revaluation reserve.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 15 -

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the re-valued amount.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to Retained Earnings.

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks & Wires	2%
Cable Car Equipment	2%
Cable Car Equipment	10%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fittings	20%
Trolley Bus Overhead Wire System & Fittings	2.5%-20%
Trolley Bus Overhead Wire System Equipment	10%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work-in-progress

The cost of projects within work in progress is either expensed or transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured. Otherwise the item is expensed.

(d) Foreign Currencies

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Comprehensive Income.

(e) Intangible Assets

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years
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*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 16 -

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Income in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Income.

(f) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

(g) Income Tax

Income tax expense is charged in the Statement of Comprehensive Income in respect of the current year's results. Income tax on the profits or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(h) Inventories

Inventory has been valued at the lower of cost (average weighted cost price) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost and current replacement cost.

(i) Leases

Finance Leases

Assets purchased under finance leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the property are included as non-current assets in the Balance Sheet. Finance Leases will be capitalised at the present value of the minimum lease payments. A corresponding liability is also disclosed with lease payments being apportioned between the liability and interest payments.

The depreciation policy for depreciable assets, that are the subject of a finance lease, will be consistent with that for assets that are owned, unless there is no certainty that the lessee will take ownership by the end of the lease term, in which case the assets will be depreciated over

*The accompanying notes form part of these financial statements.
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Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

the shorter of the estimated useful life of the asset or the lease term.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Income in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease payment.

(j) Statement of Cash Flows

The Statement of Cash Flows has been prepared using the direct approach.

Operating activities include cash received from all income sources of the company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

(k) Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

(l) Financial Instruments

WCCL classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non Derivative Financial Instruments

WCCL has the following non-derivative financial instruments.

Financial assets

WCCL classifies its investments into the following categories:

- Financial assets at fair value through profit and loss and loans and receivables.
- Loans and receivables comprise cash and cash equivalents, trade and other receivables.
- Trade and other receivables are financial assets with fixed or determinable payments. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date for loans of a similar maturity and credit risk. Trade and other receivables issued with duration less than 12

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 18 -

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

- Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit and loss or other financial liabilities.

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised in the Statement of Comprehensive Income as is any gain or loss when the liability is derecognised. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

(m) Revenue

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the sole source of income.

Additional revenue is received from projects in relation to the Traction Network to modify the network at the request of outside parties and there is also pole occupancy licences in place.

Revenue is recognised when billed or earned on an accrual basis.

(n) Government Grants

The trolley bus overhead wiring system funding is from contract payments by the Greater Wellington Regional Council.

Grants are recognised as income when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

(o) Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

(p) Other Liabilities and Provisions

Provisions are recognised for future expenditure of uncertain timing or amount when there is a present obligation as a result of a past event and it is probable that expenditures will be required to settle the obligation. Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

(q) Employee Benefit liabilities

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 19 -

**Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014**

(r) Going Concern

These financial statements have been prepared on the basis that the company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the company would satisfy the solvency requirements of the Companies Act 1993.

2. NATURE OF THE BUSINESS

The Company owns and maintains the trolley bus overhead network in the Wellington City area and some suburbs providing a facility for the use of NZBus who are contracted to provide trolley bus services by Greater Wellington Regional Council (GWRC). The cost of the overhead network maintenance is funded by GWRC.

The Company also owns and operates the Wellington Cable Car providing a passenger service and acting as a tourist attraction for the city of Wellington.

The cable car business is funded from cable car fares.

The funding agreement with the Greater Wellington Regional Council provides revenue to meet the cost of the overhead network maintenance for the Trolleybus Overhead wire system. Further income is derived from pole service charges levied on third parties utilising the company's poles to support telecommunication cables and other equipment. Income has also been derived from various pole placements arising from changes to the trolley overhead system to accommodate street and underground services changes. Management fees are also collected from third parties operating high vehicle/loads and those requiring safe access in proximity to the overhead wires by having the lines de-energised.

On 26 June 2014 a decision was made to cease Trolley Bus services in Wellington with effect from 30 June 2017. This will have a material impact on the nature and operation of the Overhead Division of Wellington Cable Car Limited's business. The quantum of this impact and any future changes as a result has not been quantified or resolved as yet but a strategic review will be undertaken in the year ended 30 June 2015.

3. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2013:\$0). Wellington Cable Car Limited has not granted any securities in respect of liabilities payable by any other party whatsoever.

4. OPERATING INCOME

	2014	2013
	\$	\$
Cable Car income	2,177,637	2,172,471
GWRC income	5,261,488	3,814,140
Third party contract income	311,930	438,910
Miscellaneous income	96,892	124,311
	<u>7,847,947</u>	<u>6,549,832</u>

5. OPERATIONS AND GENERAL EXPENSES

	2014	2013
	\$	\$
Cable car operational costs	461,724	352,710
Overhead contractor expenses	1,394,413	1,431,345

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

Overhead operational costs	471,118	336,777
Overhead repairs and maintenance	2,587,832	1,460,366
Miscellaneous expenses	<u>792,424</u>	<u>738,875</u>
	<u>5,707,511</u>	<u>4,320,073</u>

6. AUDITOR'S REMUNERATION

Amounts received or due and receivable by Audit New Zealand on behalf of the Auditor-General for:

	2014	2013
	\$	\$
Auditing the financial statements	27,781	20,800
Non statutory work	-	15,000
	<u>27,781</u>	<u>35,800</u>

7. DIVIDENDS PAID

	2014	2013
	\$	\$
Dividends paid to owners during the year:		
Dividends A Shares	-	94,380
Total dividends paid	<u>-</u>	<u>94,380</u>

8. RELATED PARTIES

Wellington Cable Car Limited (100% owned by WCC) contracts various services from Wellington City Council.

The company made the following payments to the Council excl GST:

Land Rental	34,239	34,239
Subvention payment	208,535	131,102
Sundry	<u>15,050</u>	<u>33,741</u>
	<u>257,824</u>	<u>199,082</u>

Note 12 covers outstanding balances relating to the above transactions, which is \$117 (2013: \$2,178)

Wellington City Council engaged the services of Wellington Cable Car Ltd this year for \$13,347 GST excl (2013: \$323,056). Note 11 covers outstanding balances relating to these transactions \$3,933 (2013: \$17,866). Wellington Cable Car Limited has provided for \$12,000 of directors' fees payable to Wellington City Council as at 30 June 2014.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

**Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014**

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive, the Overhead Manager, the Cable Car Maintenance Manager and the Passenger Service Manager.

Key management personnel

	<u>2014</u>	<u>2013</u>
	\$	\$
Key management personnel remuneration	<u>533,991</u>	<u>477,280</u>

The following employees received remuneration greater than \$100,000 in the 2014 year:

	2014	2013
\$100,000 - \$110,000	2	-
\$110,000 - \$120,000	1	-
\$180,000 - \$190,000	-	1

Directors' remuneration

	<u>2014</u>	<u>2013</u>
	\$	\$
R Drummond (Resigned 31 March 2014)	23,000	30,000
A Briscoe (Resigned 31 March 2014)	11,500	15,000
N Crauford (Resigned 31 March 2014)	11,500	15,000
A Matthews (Appointed 1 April 2014)	4,000	-
A Wilson (Appointed 1 April 2014)	8,000	-
Total Directors' remuneration	<u>58,000</u>	<u>60,000</u>

There have been no other transactions with Directors other than Directors' remuneration.

It is noted that the directors' remuneration listed above for A Matthews and A Wilson is payable to Wellington City Council.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

9. CASHFLOW INFORMATION

	2014	2013
	\$	\$
Profit/(Loss)	(475)	254,281
Add/(less) non cash items		
Movement in provisions	-	-
Tax expense	107,554	(24,891)
Revaluation - net loss	230,667	557,066
Depreciation and amortisation expense	262,272	212,847
	<u>600,493</u>	<u>745,022</u>
Add/(less) items classified as investing or financing activities		
(Receipt)/payment of interest income	(68,282)	(97,073)
(Receipt)/payment of dividend	-	-
	<u>(68,282)</u>	<u>(97,073)</u>
Add/(less) items classified as other activities		
(Receipt)/payment of withholding tax	(4,614)	(27,802)
(Receipt)/payment of subvention payment	-	(131,102)
Net loss/(gain) on disposal of property, plant and equipment	(78,839)	36,360
	<u>(83,453)</u>	<u>(122,544)</u>
Add/(less) items movements in statement of financial position items		
Debtors and other receivables	(575,065)	412,127
Inventories	210,471	78,938
Prepayments	8,300	11,217
Creditors and other payables	(223,761)	(466,414)
	<u>(580,055)</u>	<u>35,868</u>
Net cash flow from operating activities	<u>(131,772)</u>	<u>815,554</u>

10. FINANCIAL INSTRUMENTS

The Company's financial instruments include financial assets (cash and cash equivalents and receivables), and financial liabilities (payables that arise directly from operations).

The Directors do not consider there is any material exposure to interest rate risk on its investments.

Concentrations of credit risk with respect to Accounts Receivable are high due to the reliance on Wellington Regional Council for 67% (2013: 56.6%) of the Company's revenue. However, Wellington Regional Council is considered, by the directors, to be a high credit quality entity.

The Company invests funds only on deposit with registered banks having satisfactory credit

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

ratings.

Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. There were no differences between the fair value and the carrying amounts of financial instruments at 30 June 2013.

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Company has no exposure to this.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

WCCL purchases inventory and plant and equipment, associated with the trolley bus overhead network and the cable car, from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

WCCL has opened a EURO and an AU\$ currency account with the National Bank. Following a quote has been approved for an overseas purchase, and the order placed at an appropriate time depending on the relative strength of the NZ Dollar, the overseas currency amount is transferred to the relevant currency account. This reduces the uncertainty of any future foreign exchange rate changes.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has no exposure to this.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Company has no material exposure to this.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Company, therefore causing a loss. The Company is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region.

Receivables balances are monitored on an ongoing basis to minimise the Company's exposure to bad debts. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company's maximum exposure to credit risk at balance date is:

	2014	2013
	\$	\$
Cash and cash equivalents	458,214	2,384,052
Short term deposits	278,368	270,698
Trade receivables	1,976,889	1,394,371

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

Other receivables	8,814	18,389
Total Financial assets	<u>2,722,285</u>	<u>4,067,510</u>

The status of trade receivables at the reporting date is as follows:

	<i>2014</i>	<i>2013</i>
	\$	\$
Not past due	1,792,732	1,338,681
Past due 0-6 months	-	2,030
Past due 7-12 months	-	72,049
Past due more than 12 months	192,971	-
Total Trade and other receivables	<u>1,985,703</u>	<u>1,412,760</u>

The contractual cash flows for all financial liabilities are as follows:

	Statement of Financial Position	Total Contractual Cash Flows	0-12 Months	1-2 years	2-5 Years	More than 5 Years
2014						
Trade and other payables	1,362,932	1,362,932	1,362,932			
2013						
Trade and other payables	1,577,128	1,577,128	1,577,128			

Liquidity Risk

Liquidity risk is the risk arising from unmatched cash flows and maturities. During the Upgrade to the Lambton Terminal in the 2007 financial year, the Company organised to have a committed commercial flexible credit facility available (for details refer to Note 21 Borrowings). The Company has kept this facility available.

Sensitivity Analysis

In managing interest rate and currency risks the Company aims to reduce the impact of short-term fluctuations of the Company's earnings.

11. TRADE AND OTHER RECEIVABLES

	<i>2014</i>	<i>2013</i>
	\$	\$
Trade receivables	1,972,956	1,667,694
Related party receivables	3,933	17,866
Less: Provision for impairment of trade receivables	-	(291,189)
Net trade receivables	<u>1,976,889</u>	<u>1,394,371</u>
Sundry receivables	8,814	18,389
	<u>1,985,703</u>	<u>1,412,760</u>

The provision for impairment has been calculated based on a review of significant debtor balances and a collective assessment of all debtors (other than those determined to be individually impaired) for impairment. The collective impairment assessment is based on an analysis of past collection history and write-offs.

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These financial statements should be read in conjunction with the attached.*

**Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014**

12. TRADE AND OTHER PAYABLES

	<i>2014</i>	<i>2013</i>
	\$	\$
Trade payables	647,220	603,497
Sundry payables	715,595	971,453
Related party payables	117	2,178
	<u>1,362,932</u>	<u>1,577,128</u>

13. INCOME TAX EXPENSE

	<i>2014</i>	<i>2013</i>
	\$	\$
Current year	10,885	27,801
Adjustments to current tax in prior periods	(1)	18,662
Deferred tax	<u>107,557</u>	<u>(202,456)</u>
	<u>118,441</u>	<u>(155,993)</u>

Reconciliation of effective tax rate:

	%	<i>2014</i>	%	<i>2013</i>
		\$		\$
Surplus for the period excluding income tax		<u>326,501</u>		<u>229,390</u>
Prima facie income tax based on domestic tax rate	28%	91,420	28%	64,230
Effect of non-deductible expenses	254%	1,417,779	463%	1,061,166
Effect of tax exempt income	(264%)	(1,473,441)	(466%)	(1,067,959)
Prior period adjustment	2%	12,024	8%	17,789
Effect of group loss offset	0%	0	(96%)	(220,559)
Deferred tax adjustment	13%	70,659	(5%)	(10,660)
	<u>33%</u>	<u>118,441</u>	<u>(68%)</u>	<u>(155,993)</u>

The Company's tax liability for 2013 was reduced by losses transferred from WCC by loss offset of \$536k and subvention payment of \$208k. It is expected that the tax liability for the 2014 year will also be offset by tax losses from / subvention payment to WCC however no amount has been provided for this.

	<i>2014</i>	<i>2013</i>
	\$	\$
Imputation credits available for use in subsequent periods	62,026	46,528

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

**14. DEFERRED TAX ASSETS AND
LIABILITIES**

Recognised deferred tax assets/(liabilities):

	Property, plant & equipment \$	Provisions \$	Total \$
Balance, 30 June 2011	(664,919)	142,918	(522,000)
Charged to income	(214,132)	5,700	(208,432)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2012	(879,051)	148,618	(730,433)
Charged to income	178,983	23,473	202,456
Charged to other comprehensive income	68,444	-	68,444
Balance, 30 June 2013	(631,623)	172,091	(459,532)
Charged to income	(8,672)	(98,885)	(107,557)
Charged to other comprehensive income	-	-	-
Balance, 30 June 2014	(640,295)	73,206	(567,089)

15. PROPERTY, PLANT & EQUIPMENT

	2014 \$	2013 \$
Cable Car and equipment		
Cost		
Opening balance	3,385,349	3,408,306
Additions	1,956,141	4,220
Disposals	-	(27,177)
Closing balance	5,341,490	3,385,349
Accumulated depreciation		
Opening balance	1,225,554	1,146,036
Current year depreciation	102,031	81,815
Disposals	-	(2,297)
Closing balance	1,327,585	1,225,554
Carrying amount	4,013,905	2,159,795
Cable car tracks and wires		
Cost		
Opening balance	1,363,778	1,379,291
Disposals	-	(15,513)
Closing balance	1,363,778	1,363,778
Accumulated depreciation		
Opening balance	381,859	358,616
Current year depreciation	27,276	27,276
Disposals	-	(4,033)

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Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

	2014 \$	2013 \$
Closing balance	409,135	381,859
Carrying amount	954,643	981,919
Trolley bus overhead		
Cost/Valuation		
Opening balance	692,000	1,616,895
Revaluation	(230,667)	(924,895)
Closing balance	461,333	692,000
Accumulated depreciation		
Opening balance	-	63,375
Current year depreciation	17,300	60,009
Elimination of depreciation on revaluation	(17,300)	(123,384)
Carrying amount	461,333	692,000
Wire system equipment		
Cost		
Opening balance	79,506	79,506
Closing balance	79,506	79,506
Accumulated depreciation		
Opening balance	39,779	32,400
Current year depreciation	7,803	7,379
Closing balance	47,582	39,779
Carrying amount	31,924	39,727
Motor vehicles		
Cost		
Opening balance	287,913	287,913
Additions	931,612	-
Disposals	185,094	-
Closing balance	1,034,431	287,913
Accumulated depreciation		
Opening balance	285,940	283,311
Current year depreciation	85,416	2,629
Disposals	(185,094)	-
Closing balance	186,262	285,940
Carrying amount	848,169	1,973

*The accompanying notes form part of these financial statements.
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Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

	2014 \$	2013 \$
Furniture		
Cost		
Opening balance	61,238	46,751
Additions	-	14,487
Closing balance	<u>61,238</u>	<u>61,238</u>
Accumulated depreciation		
Opening balance	35,096	32,511
Current year depreciation	5,928	2,585
Closing balance	<u>41,024</u>	<u>35,096</u>
Carrying amount	<u>20,214</u>	<u>26,142</u>
Computer equipment		
Cost		
Opening balance	253,564	248,072
Additions	6,476	5,492
Disposals	3,789	-
Closing balance	<u>256,251</u>	<u>253,564</u>
Accumulated depreciation		
Opening balance	228,717	223,744
Current year depreciation	11,021	4,973
Disposals	(2,849)	-
Closing balance	<u>236,889</u>	<u>228,717</u>
Carrying amount	<u>19,362</u>	<u>24,847</u>
Work-In-Progress		
Cost		
Opening balance	1,047,277	693,336
Additions	79,000	353,941
Transfers	1,042,430	-
Closing balance	<u>83,846</u>	<u>1,047,277</u>
Accumulated depreciation		
Opening balance	-	-
Current year depreciation	-	-
Closing balance	-	-
Carrying amount	<u>83,846</u>	<u>1,047,277</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

	2014 \$	2013 \$
Total Property, Plant & Equipment		
Cost		
Opening balance	7,170,625	7,760,070
Additions	2,973,228	378,140
Disposals	(1,231,313)	(42,690)
Revaluation	(230,667)	(924,895)
Closing balance	<u>8,681,873</u>	<u>7,170,625</u>
Accumulated depreciation		
Opening balance	2,196,945	2,139,993
Current year depreciation	256,775	186,666
Elimination of depreciation on revaluation	(17,300)	(123,384)
Disposals	(187,943)	(6,330)
Closing balance	<u>2,248,477</u>	<u>2,196,945</u>
Carrying amount	<u>6,433,396</u>	<u>4,973,680</u>
 16. INTANGIBLES		
	2014 \$	2013 \$
Cost		
Opening balance	122,079	122,079
Acquired by direct purchase	5,782	-
Closing balance	<u>127,861</u>	<u>122,079</u>
Accumulated amortisation		
Opening balance	99,190	73,009
Current year amortisation	22,797	26,181
Closing balance	<u>121,987</u>	<u>99,190</u>
Carrying amount	<u>5,874</u>	<u>22,889</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

17. FINANCE LEASES

Finance leases are secured over the assets to which they pertain. Interest rates which are fixed for the term of the agreement are detailed below along with the original term.

	<i>2014</i>	<i>2013</i>
	\$	\$
Leases outstanding at balance date:		
Telecom Rentals	6,863	9,973
Total	<u>6,863</u>	<u>9,973</u>
Repayable as follows:		
Less than one year	3,675	3,110
	<u>3,675</u>	<u>3,110</u>
One to five years	3,188	6,863
	<u>3,188</u>	<u>6,863</u>
Total	<u>6,863</u>	<u>9,973</u>

18. OPERATING LEASE COMMITMENTS

	<i>2014</i>	<i>2013</i>
	\$	\$
Non-cancellable operating lease commitments:		
<u>Land and Buildings</u>		
Not later than 1 year	78,880	91,547
Later than 1 and not later than 2 years	48,956	122,389
Later than 2 and not later than 5 years	-	-
	<u>127,836</u>	<u>213,936</u>
<u>Plant and equipment</u>		
Not later than 1 year	3,859	1,981
Later than 1 and not later than 2 years	6,753	-
Later than 2 and not later than 5 years	-	-
	<u>10,612</u>	<u>1,981</u>
	<u>138,448</u>	<u>215,917</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

19. OPERATING COMMITMENTS

	2014	2013
	\$	\$
Contractor		
Not later than 1 year	2,700,000	2,847,771
Later than 1 and not later than 2 years	2,700,000	-
Later than 2 and not later than 5 years	2,700,000	-
	<u>8,100,000</u>	<u>2,847,771</u>

20. BORROWINGS

Short term bank facilities

\$0 (2013: \$0) worth of committed bank facilities are available on a short term basis of less than one year. Interest is payable in arrears at wholesale market rates. Of this facility, a total of \$0 has been drawn at balance date (2013: \$0).

Bank overdraft

The Company's bank overdraft facility totals \$50,000. The current interest rate on the facility is 11.65% (2013:11.90%). The actual overdraft facility was un-drawn as at 30 June 2014 (2013: un-drawn).

21. SHAREHOLDERS' EQUITY

Capital

These shares have full voting rights and participate fully in all dividends and proceeds upon winding up.

	2014	2013
	\$	\$
7,434,746 fully paid Ordinary Shares	7,434,846	7,434,846
Total Issued and Paid up Capital	<u>7,434,846</u>	<u>7,434,846</u>

Retained Earnings

	2014	2013
	\$	\$
Retained Earnings opening balance	188,278	28,377
Net Profit after tax	(475)	254,281
Available for appropriation	187,803	282,658
Dividends paid or provided for	-	94,380
Retained Earnings Closing Balance	<u>187,803</u>	<u>188,278</u>

*The accompanying notes form part of these financial statements.
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Wellington Cable Car Limited
Notes to the Financial Statements
For the Year Ended 30th June 2014

Reserves

Unrealised Capital Reserves

	2014	2013
	\$	\$
Revaluation Reserve		
<u>Traction Network</u>		
Opening balance for the year	-	176,000
Revaluation Reserve - Net Gain/(Reduction)	-	(244,444)
Tax on Equity Items	-	68,444
Closing balance for the year	-	-
Total Reserves	-	-

22. SIGNIFICANT EVENTS AFTER BALANCE DATE

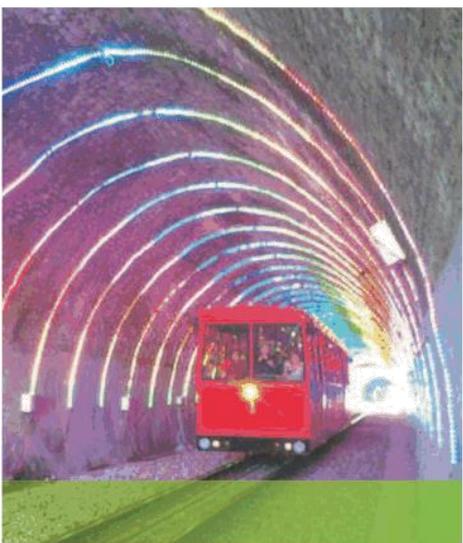
No significant events occurred after the balance date.

23. STATUTORY DEADLINE

Section 67 of the Local Government Act 2002 requires delivery to shareholders and available to the public within three months of balance date. The Company has not complied with this requirement.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 33 -



Wellington Cable Car Limited

Statement of Service Performance
For the Year Ended 30th June 2014



Wellington Cable Car Limited
Statement of Service Performance
For the Year Ended 30 June 2014

Wellington Cable Car Limited
Statement of Service Performance - Performance Targets and Other Measures for
the year ended 30 June 2014

Cable Car Service Performance Measures

Performance Indicator	Measure	Target/Result	Actual
Cable car vehicles, track, tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by NZTA to be obtained each year.	Timely approval received	<i>Achieved.</i>
Cable Car service reliability	Percentage reliability	Greater than 99%	<i>Result 98.96% The reason for not achieving target is due to required downtime as part of the construction of the new Kelburn Terminus. Post completion of this, the targets have been achieved.</i>
Cable Car Service has Qualmark endorsement to confirm that the Cable Car Service meets established tourism standards	Qualmark endorsement held	Qualmark endorsement maintained	<i>Qualmark endorsement applied for and achieved in 2014.</i>

Trolley Bus Overhead Network Performance Measures

Performance Indicator	Measure	Target/Result	Actual
Inspection, maintenance and repair of trolley bus overhead network are carried out to provide appropriate levels of reliability	Number of network failures due to inadequate maintenance	Nil failures	<i>None from current maintenance activities that were inadequate. Failures still occur due to backlog of maintenance not yet remedied, but rate is decreasing.</i>
Trolley Bus Overhead Network Draft Asset Management Plan prepared	Draft Asset Management Plan completion	Draft Annual AMP 2014/15 prepared by 31 August 2013.	<i>Draft completed however agreed with GWRC to amend final AMP date to 31 July 2014 which was achieved.</i>
Trolley Bus Network Poles identified in AMP 2013/14 as requiring urgent and critical replacement are programmed for replacement	Pole replacements completion	Completed in accordance with the programme	<i>The pole replacement programme for 2013/2014 was modified to 85 planned pole replacements. 55 poles from this programme were commenced but not completed due to third party work still being required.</i>

Wellington Cable Car Limited
Statement of Service Performance
For the Year Ended 30 June 2014

Performance Indicator	Measure	Target/Result	Actual
Overhead components replacement or repairs	Component programme completion	Replacement or repairs completed in accordance with the programme	<i>Achieved.</i>
WCCL Pole occupants have formal contracts and appropriate pole user charges are being paid	Number of contracts current	All recent users have current contracts. All "Existing Works" users have contracts signed by 30 June 2014, and continue with current contracts.	<i>Pole occupants without existing user rights have paid their rental charges in accordance with their contracts. Occupants claiming "existing works" rights do not yet all have contracts concluded due to unresolved differences in interpretation of legislation however discussions have been had to enter into contracts even at a nil value to ensure safety areas are covered.</i>
GWRC funding agreement being complied with.	Number of breaches of agreement	Nil breaches by WCCL	<i>Any breaches have been from a reporting perspective and agreed with GWRC. No penalties have been incurred.</i>
Performance requirements in the GWRC Trolley Bus Overhead funding agreement are met.	GWRC Contract payments received Other Contract Requirements	Paid in accordance with agreed funding levels No complaints from GWRC	<i>All payments due have been received.</i> <i>Achieved.</i>

All of WCCL Activities Performance Measures

Performance Indicator	Measure	Target/Result	Actual
Compliance with appropriate regulations and statutes	Number of adverse comments from relevant regulatory authorities	Nil adverse comments	<i>Achieved</i>
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% or Board approved variance	<i>All variances approved and signed off by Directors at the following Board meeting.</i>
Board delegations are adhered to	Board and management approvals of commitments and expenditure	All approvals of expenditure and commitments are in accordance with delegations policy	<i>Achieved</i>

Wellington Cable Car Limited
Statement of Service Performance
For the Year Ended 30 June 2014

Company Risks and Vulnerabilities are maintained at an acceptable limit and identified in the Risk and Vulnerability register	Number of Risks and Vulnerabilities not identified, and where possible, mitigated to an acceptable limit	Nil Risks and Vulnerabilities not identified Nil Risks and Vulnerabilities not mitigated to acceptable limit	<i>Achieved</i>
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Cable Car Patronage

Trips Paid for by Multi-Trip Concession Ticket

2013/14	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Estimated Passenger Trips	76,157	43,199	67,057	66,031	252,444
Actual Passenger Trips	57,190	45,580	60,750	52,330	215,850

Trips Paid by Cash (Single or Return)

2013/14	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Estimated Passenger Trips	142,191	202,299	256,190	135,043	735,723
Actual Passenger Trips	114,877	205,409	283,179	137,100	740,565

All Passenger Trips

2013/14	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Estimated Passenger Trips	224,100	292,300	352,000	216,000	1,084,400
Actual Passenger Trips	172,280	251,893	343,814	189,496	957,483

Wellington Cable Car Limited
Statement of Service Performance
For the Year Ended 30 June 2014

Wellington Residents Satisfaction Survey:

The annual survey conducted by WCC asks the questions below:

Question	Target	Actual
Have you used the cable car in the last 12 months?	30% of respondents have used cable car	52%
How do you rate the standard and operational reliability of the cable car (Good or Very good)	95% of respondents with some knowledge of the cable car rate it Good or Very good	92%

Wellington Cable Car Limited

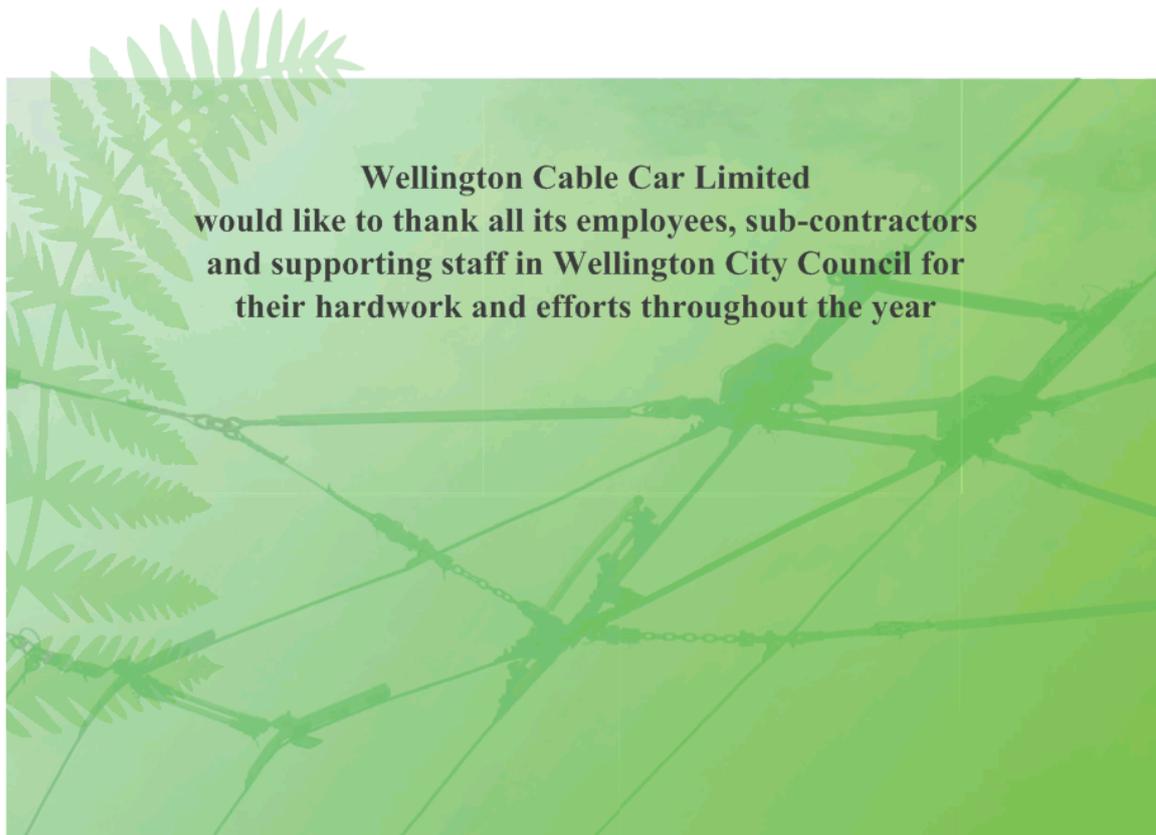
Auditor's Report

For the Year Ended 30th June 2014

TO BE COMPLETED

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached.*

- 39 -





Head Office
30 Glover Street, Ngauranga, Wellington, 6035
New Zealand
P: +64 4 473 2721
E: info@wellingtoncablecar.co.nz
W: www.wellingtoncablecar.co.nz