

**Absolutely Positively
Wellington City Council**

Me Heke Ki Pōneke

Ordinary Meeting of Te Kaunihera o Pōneke | Council

Ngā Meneti | Minutes

9:30 am Rāapa Wednesday, 25 Whiringa ā-nuku October 2023

Ngake (16.09), Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington



PRESENT

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

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1 Meeting Conduct

1.1 Karakia

The Chairperson opened the meeting at 9.30am with the following karakia.

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

1.2 Apologies

Moved Mayor Whanau, seconded Deputy Mayor Foon

Resolved

That Te Kaunihera o Pōneke | Council:

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

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

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

Against:

Absent:

Councillor McNulty

Majority Vote: 15:0

Carried

1.3 Announcements by the Mayor

The Mayor made no announcements.

1.4 Conflict of Interest Declarations

No conflicts of interest were declared.

1.5 Confirmation of Minutes

Moved Mayor Whanau, seconded Deputy Mayor Foon

Resolved

That Te Kaunihera o Pōneke | Council:

1. Approves the minutes of the Ordinary Te Kaunihera o Pōneke | Council Meeting held on 4 October 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

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

Against:

Absent:

Councillor McNulty

Majority Vote: 15:0

Carried

1.6 Items not on the Agenda

There were no items not on the agenda.

1.7 Public Participation

1.7.1 John Cuthbert

John Cuthbert addressed the Council regarding Item 2.2 Town Hall updates and funding approval.

1.7.2 Richard Burrell

Richard Burrell addressed the Council regarding Item 3.2 Report of the Kōrau Mātinitini | Social, Cultural, and Economic Committee Meeting of 12 October 2023

Secretarial note: The Council hui adjourned at 9.42am and reconvened at 10.51am with all members present.

Secretarial note: In accordance with standing order 19.1, the Chair accorded precedence to these items of business in the order they are to be considered:

3. Committee Reports

3.1 Report of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting of 25 October 2023

3.2 Report of the Kōrau Mātinitini | Social, Cultural, and Economic Committee Meeting of 12 October 2023

General Business

2.2 Town Hall update and funding approval

2.1 Strategy and Policy Priorities

2.3 Submission on the Inquiry on Climate Adaptation (Community-Led Retreat and Adaptation Funding: Issues and Options Paper)

2.4 Wellington District Licensing Committee Annual Report for the Year Ending 30 June 2023

2.5 Proposed Road Closure

2.6 Road Stopping – Land Adjoining 3 Liffey Street, Island Bay

2.7 Actions Tracking and Forward Programme

4. Public Excluded

4.1 Local Government Funding Agency Annual General Meeting Voting

3. Committee Reports

3.1 Report of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting of 25 October 2023

Moved Councillor Apanowicz, seconded Councillor Matthews

Resolved

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

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

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

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

Against:

Councillor Calvert, Councillor Randle

Absent:

Councillor McNulty

Majority Vote: 13:2

Carried

Attachments

- 1 Independent Auditor's Report 25 October 2023
- 2 Representation letter for the year ended 30 June 2023

3.2 Report of the Kōrau Mātinitini | Social, Cultural, and Economic Committee Meeting of 12 October 2023

Moved Councillor O'Neill, seconded Councillor Abdurahman

Resolved

2022/23 Capital Carry-Forward and Capital Programme Review

The Kōrau Mātinitini | Social, Cultural, and Economic Committee recommends that Te Kaunihera o Pōneke:

1) Agree budget changes as detailed in the "Budget Changes" ledger of appendix 1 – "Recommended Capital Plan, namely the previously agreed Sub-surface Data project spend which is funded via Better Off Funding

2) Agree an increase to operational budget for 2023/24 of \$6.7m for Let's Get Wellington Moving, which is a carry-forward of prior year underspend

Carried

The motion was moved in parts, the divisions of which was as follows:

Clause 1

For:

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

Against:

Absent:

Councillor McNulty

Majority Vote: 15:0

Carried

Clause 2

For:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon (Deputy Chair), Councillor Free, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Against:

Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young

Absent:

Councillor McNulty

Majority Vote: 9:6

Carried

2. General Business

2.2 Town Hall update and funding approval

Moved Mayor Whanau, seconded Councillor Wi Neera

- 1) Receive the information
- 2) Note the forecast cost to the Council to complete the Town Hall redevelopment has increased from its current budget of \$182.4m to between \$252m to \$329m, an increase of \$70m to \$147m
- 3) Note the cost range reflects a number of risk scenarios that could still eventuate on the project and a set of choices about scope and timing that are available to the Council
- 4) Note, in response to escalating costs, officers initiated an independent review of the project from RCP, a nationwide project management and construction consultancy with experience in heritage projects, and has accepted the review's recommendations
- 5) Note officers have considered the following options to respond to increasing costs:
 - a. Option 1 (recommended and reasonably practicable): Increase funding and complete the project, and seek to offset costs through development on the Municipal Office Building (MOB) site
 - b. Option 2 (not recommended and not reasonably practicable): Close-up the project, completing works to bring the building up to 34% NBS and restoring the external heritage façade, and either:
 - i. Do nothing else; or
 - ii. Explore demolition, noting legal and regulatory advice that this is highly unlikely to be feasible; or
 - iii. Seek central government funding support
- 6) Agree to increase the budget for the Town Hall by \$14m for the current 2023/24 year
- 7) Agree to include provision in the Long-Term Plan (LTP) for up to \$133m additional budget for the Town Hall across the following financial years:
 - a. \$50m 2024/25
 - b. \$48m 2025/26
 - c. \$30m 2026/27
 - d. \$5m 2027/28
- 8) Note these costs have been developed by officers and the project's quantity surveyor (RLB) and subject to internal peer review by RLB and external review by RCP
- 9) Note officers strongly recommend against delaying the decision and/or approving part of the required funding for the following reasons:
 - a. It would impact the construction programme's critical path with immediate consequences for time and cost over and above the numbers in this report;
 - b. Recent engagement from the LTP's Citizens' Assembly provides evidence of support for continuing with in-flight projects, including the Town Hall;
 - c. Providing certainty about the way forward is a critical recommendation of the RCP review in order to manage the project; and

- d. The Council has all the necessary information to make the required decision
- 10) Note that, with respect to the 2024/34 LTP:
- a. There is current sufficient capacity in the Council's debt-to-revenue ratio for this funding to be approved; and
 - b. Approving this funding will have an impact on other capital programme decisions available to the Council
- 11) Agree that the Council seeks to offset the additional cost by:
- a. Partnering with a private developer to complete the Town Hall project via a redevelopment on the MOB site which delivers the Town Hall's front-of-house requirements and meets the objectives of the Te Ngākau framework; and
 - b. If necessary, delay the opening of the Town Hall until the MOB development is complete to avoid the cost of temporary front-of-house works
- 12) Note, in addition to these cost offsets, officers are taking the following management actions to manage the project going forward:
- a. Implementing the recommendations of the RCP review, which include exploring opportunities for fixed price contract portions, reallocation of risk, and lump sum settlement of past contract instructions; and
 - b. Implementing increased reporting for the Environment and Infrastructure Committee on the Te Ngākau programme
- 13) Agree the following changes to the Town Hall's design to improve its utilisation for a range of functions and performances, and reduce the building's early reliance on the Michael Fowler Centre (MFC):
- a. Repurpose Mayoral suite to three rooms for security operations and Venues Wellington staff room, and two additional events and VIP spaces (which could be used for the Council's civic events, citizenship ceremonies and functions); and
 - b. Assign the space currently allocated for dual use as a performance venue and Council debating chamber to a sole purpose smaller performance venue
- 14) Note the Council will receive further advice on options for future Council accommodation in November 2023
- 15) Note a successful market soundings process has been completed by PwC to test developer interest in funding the redevelopment of MOB and the Civic Administration Building (CAB)
- 16) Note officers are initiating a formal tender process for the CAB and MOB buildings, running between November 2023 and March 2024, seeking proposals that:
- a. Redevelop CAB;
 - b. Redevelop or strengthen MOB, and include delivery of the Council's Town Hall requirements;
 - c. As far as possible, deliver both buildings in a way that minimises impact on the Town Hall's construction timetable and seeks to align the delivery of MOB with the completion of the Town Hall to minimise costs to the Council; and
 - d. Meet the vision and objectives of the Te Ngākau Civic Precinct Framework
- 17) Note the Council will be updated on the Te Ngākau programme:

- a. At the completion of the tender process for MOB/CAB sites, with a recommended development option (March/April 2024); and
 - b. Regularly via new four-monthly programme briefings to the Environment and Infrastructure Committee
- 18) Note the completion of a development plan for the wider Te Ngākau precinct is a Chief Executive KPI and will be provided to the Council by June 2024, following the completion of a tender process which will go to market in early November.
- 19) Agree to repurpose the Mayoral suite to three rooms for security operations and Venues Wellington staff room, and two additional events and VIP spaces (which could be used for the Council's civic events, citizenship ceremonies and functions)
- 20) Agree to designate one of the two events/VIP spaces as "Te Ngākau - The Civic Room", ensuing it is appropriately furnished to reflect the Council's mana with key ceremonial and historical items, and ensure the Council has prioritised use of this room for ceremonial and civic functions.
- 21) Note that Officers will provide monthly project reporting to Council.

Secretarial note: The motion was moved with changes, supported by officers and marked in red.

Secretarial note: The hui adjourned at 12.03pm and resumed at 12.24pm.

Moved Councillor McNulty, seconded Councillor Abdurahman the following amendment:

22) Agree that officers report back to the Environment and Infrastructure Committee by 30 November on cost, process and scope of completing this work to enable the funding to be approved before work begins.

23) Agree that officers commence exploration of the viability of a local bill, and other options, that will allow WCC sufficient legislative flexibility as both property owner and regulator for projects where earthquake strengthening, heritage constraints and/or resource consenting issues have combined to create prohibitive cost or stagnating development outcomes.

24) Instruct officers to carry out a consultation with the public and stakeholders on proposed options for the Town Hall project before the council commits to further funding beyond the 2023/24 financial year.

25) Agree to explore alternative funding options including fundraising from private donors before the end of 2023/24 financial year.

26) Direct officers to prioritise management of project cost over heritage restoration for the remainder of the project, where these objectives are in direct tension and where achievement of both is not possible (i.e., where cost management is not in contradiction with the project's resource consent or other regulatory requirements).

The motion was voted on in parts, the divisions of which were as follows:

Clause 22

For:

Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Wi Neera

Against:

Councillor Apanowicz, Councillor Brown, Councillor Chung, Councillor Free, Councillor Pannett, Councillor Paul, Councillor Young

Majority Vote: 9:7

Carried

Clause 23

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle

Against:

Councillor Apanowicz, Councillor Brown, Councillor Free, Councillor Pannett, Councillor Paul, Councillor Wi Neera, Councillor Young

Majority Vote: 9:7

Carried

Clause 24

For:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor McNulty, Councillor O'Neill, Councillor Randle

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon (Deputy Chair), Councillor Free, Councillor Matthews, Councillor Pannett, Councillor Paul, Councillor Wi Neera, Councillor Young

Majority Vote: 6:10

Lost

Clause 25

For:

Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Free, Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Randle

Against:

Councillor Apanowicz, Councillor Brown, Councillor Wi Neera, Councillor Young

Majority Vote: 12:4

Carried

Clause 26

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Paul

Against:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young

Majority Vote: 8:8

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote for the amendment. The amendment was carried by 9 to 8 votes.

Moved Councillor Calvert, seconded Councillor Randle

Resolved

26) Agree for the governing council to commission an independent project review into the Town Hall's Project governance (including risk and issues management) and senior leadership from January 2022 to now. In setting up the review, the governing Council should seek guidance from the Auditor General and or The Treasury to ensure the review's terms of reference is shaped and scoped appropriately to the scale of the current and proposed investment and of the reviews conducted to date in respect of legal and technical issues.

Lost

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Councillor Abdurahman, Councillor Calvert, Councillor Chung, Councillor Free, Councillor McNulty, Councillor Pannett, Councillor Randle

Against:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Paul, Councillor Wi Neera, Councillor Young

Majority Vote: 7:9

Lost

2.2 Town Hall update and funding approval

Moved Mayor Whanau, seconded Councillor Wi Neera

Resolved

Moved Mayor Whanau, seconded Councillor Wi Neera

- 1) Receive the information
- 2) Note the forecast cost to the Council to complete the Town Hall redevelopment has increased from its current budget of \$182.4m to between \$252m to \$329m, an increase of \$70m to \$147m
- 3) Note the cost range reflects a number of risk scenarios that could still eventuate on the project and a set of choices about scope and timing that are available to the Council
- 4) Note, in response to escalating costs, officers initiated an independent review of the project from RCP, a nationwide project management and construction consultancy with experience in heritage projects, and has accepted the review's recommendations
- 5) Note officers have considered the following options to respond to increasing costs:
 - a. Option 1 (recommended and reasonably practicable): Increase funding and complete the project, and seek to offset costs through development on the Municipal Office Building (MOB) site
 - b. Option 2 (not recommended and not reasonably practicable): Close-up the project, completing works to bring the building up to 34% NBS and restoring

the external heritage façade, and either:

- i. Do nothing else; or
 - ii. Explore demolition, noting legal and regulatory advice that this is highly unlikely to be feasible; or
 - iii. Seek central government funding support
- 6) Agree to increase the budget for the Town Hall by \$14m for the current 2023/24 year
- 7) Agree to include provision in the Long-Term Plan (LTP) for up to \$133m additional budget for the Town Hall across the following financial years:
 - a. \$50m 2024/25
 - b. \$48m 2025/26
 - c. \$30m 2026/27
 - d. \$5m 2027/28
- 8) Note these costs have been developed by officers and the project's quantity surveyor (RLB) and subject to internal peer review by RLB and external review by RCP
- 9) Note officers strongly recommend against delaying the decision and/or approving part of the required funding for the following reasons:
 - a. It would impact the construction programme's critical path with immediate consequences for time and cost over and above the numbers in this report;
 - b. Recent engagement from the LTP's Citizens' Assembly provides evidence of support for continuing with in-flight projects, including the Town Hall;
 - c. Providing certainty about the way forward is a critical recommendation of the RCP review in order to manage the project; and
 - d. The Council has all the necessary information to make the required decision
- 10) Note that, with respect to the 2024/34 LTP:
 - a. There is current sufficient capacity in the Council's debt-to-revenue ratio for this funding to be approved; and
 - b. Approving this funding will have an impact on other capital programme decisions available to the Council
- 11) Agree that the Council seeks to offset the additional cost by:
 - a. Partnering with a private developer to complete the Town Hall project via a redevelopment on the MOB site which delivers the Town Hall's front-of-house requirements and meets the objectives of the Te Ngākau framework; and
 - b. If necessary, delay the opening of the Town Hall until the MOB development is complete to avoid the cost of temporary front-of-house works
- 12) Note, in addition to these cost offsets, officers are taking the following management actions to manage the project going forward:
 - a. Implementing the recommendations of the RCP review, which include exploring opportunities for fixed price contract portions, reallocation of risk, and lump sum settlement of past contract instructions; and
 - b. Implementing increased reporting for the Environment and Infrastructure Committee on the Te Ngākau programme
- 13) Agree the following changes to the Town Hall's design to improve its utilisation for a range of functions and performances, and reduce the building's early reliance on the

Michael Fowler Centre (MFC):

- a. Repurpose Mayoral suite to three rooms for security operations and Venues Wellington staff room, and two additional events and VIP spaces (which could be used for the Council's civic events, citizenship ceremonies and functions); and
 - b. Assign the space currently allocated for dual use as a performance venue and Council debating chamber to a sole purpose smaller performance venue
- 14) Note the Council will receive further advice on options for future Council accommodation in November 2023
- 15) Note a successful market soundings process has been completed by PwC to test developer interest in funding the redevelopment of MOB and the Civic Administration Building (CAB)
- 16) Note officers are initiating a formal tender process for the CAB and MOB buildings, running between November 2023 and March 2024, seeking proposals that:
- a. Redevelop CAB;
 - b. Redevelop or strengthen MOB, and include delivery of the Council's Town Hall requirements;
 - c. As far as possible, deliver both buildings in a way that minimises impact on the Town Hall's construction timetable and seeks to align the delivery of MOB with the completion of the Town Hall to minimise costs to the Council; and
 - d. Meet the vision and objectives of the Te Ngākau Civic Precinct Framework
- 17) Note the Council will be updated on the Te Ngākau programme:
- a. At the completion of the tender process for MOB/CAB sites, with a recommended development option (March/April 2024); and
 - b. Regularly via new four-monthly programme briefings to the Environment and Infrastructure Committee
- 18) Note the completion of a development plan for the wider Te Ngākau precinct is a Chief Executive KPI and will be provided to the Council by June 2024, following the completion of a tender process which will go to market in early November.
- 19) Agree to repurpose the Mayoral suite to three rooms for security operations and Venues Wellington staff room, and two additional events and VIP spaces (which could be used for the Council's civic events, citizenship ceremonies and functions)
- 20) Agree to designate one of the two events/VIP spaces as "Te Ngākau - The Civic Room", ensuring it is appropriately furnished to reflect the Council's mana with key ceremonial and historical items, and ensure the Council has prioritised use of this room for ceremonial and civic functions.
- 21) Note that Officers will provide monthly project reporting to Council.
- 22) Agree that officers report back to the Environment and Infrastructure Committee by 30 November on cost, process and scope of completing this work to enable the funding to be approved before work begins.
- 23) Agree that officers commence exploration of the viability of a local bill, and other options, that will allow WCC sufficient legislative flexibility as both property owner and regulator for projects where earthquake strengthening, heritage constraints and/or resource consenting issues have combined to create prohibitive cost or stagnating development outcomes.

- 24) Agree to explore alternative funding options including fundraising from private donors before the end of 2023/24 financial year.
- 25) Direct officers to prioritise management of project cost over heritage restoration for the remainder of the project, where these objectives are in direct tension and where achievement of both is not possible (i.e., where cost management is not in contradiction with the project's resource consent or other regulatory requirements).

Carried

The motion was voted on in parts, the divisions for which were as follows:

Clause 6

For:

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

Against:

Councillor Matthews

Majority Vote: 15:1

Carried

Clause 7

For:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Free, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera, Councillor Young

Against:

Councillor Abdurahman, Councillor Calvert, Councillor Matthews, Councillor McNulty, Councillor Randle

Majority Vote: 11:5

Carried

Clause 22

For:

Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Randle, Councillor Wi Neera

Against:

Councillor Apanowicz, Councillor Brown, Councillor Chung, Councillor Free, Councillor Pannett, Councillor Paul, Councillor Young

Majority Vote: 9:7

Carried

Clause 25

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor McNulty, Councillor O'Neill, Councillor Paul

Against:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Pannett,

Councillor Randle, Councillor Wi Neera, Councillor Young

Majority Vote: 8:8

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote for the amendment. The amendment was carried by 9 to 8 votes.

All remaining clauses

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Free, Councillor Pannett, Councillor Paul, Councillor Randle, Councillor Wi Neera, Councillor Young

Against:

Councillor Abdurahman, Councillor Matthews, Councillor McNulty, Councillor O'Neill

Majority Vote: 12:4

Carried

Secretarial note: The hui adjourned at 1.59pm and resumed at 2.45pm with the following members present: Mayor Whanau, Deputy Mayor Foon, Councillor Matthews, Councillor Chung, Councillor Calvert, Councillor Pannett, Councillor Brown, Councillor O'Neill, Councillor Wi Neera.

Secretarial note: Mayor Whanau vacated the Chair, and Deputy Mayor Foon assumed the role of Chair for the remaining items on the agenda.

(Councillor Randle joined the hui at 2.47pm)

(Councillor Young joined the hui at 2.48pm)

(Councillor Apanowicz joined the hui at 2.50pm)

(Councillor Abdurahman joined the hui at 2.51pm)

2.1 Strategy and Policy Priorities

Moved Deputy Mayor Foon, seconded Councillor Matthews

Resolved

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree the strategy and policy work programme for 2023-25 as outlined in Attachment 1, **including:**
 - a) **Moving Climate Adaptation Roadmap work from priority ranking of 4 to a 3.**
 - b) **Confirming that the Rainbow Strategy is completed at the latest by mid-2025.**
 - c) **Confirming that Our Natural Capital will be completed at the latest by mid-2025.**
- 3) Note that the strategy and policy work programme is a live programme. As committee decisions are made or needs are identified, timing or priority of the programme contents will need to be reviewed and the updated overall programme will be reported periodically to the Council.

Carried

The motion was voted on in parts, the divisions of which were as follows:

Clauses 1 and 3

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young

Against:

Absent:

Councillor Free, Councillor McNulty, Councillor Paul

Majority Vote: 13:0

Carried

Clauses 2, 2a, 2b and 2c

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera

Against:

Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young

Absent:

Councillor Free, Councillor McNulty, Councillor Paul

Majority Vote: 9:4

Carried

Clause 2d

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Councillor Chung, Councillor Randle

Absent:

Councillor Free, Councillor McNulty, Councillor Paul

Majority Vote: 11:2

Carried

(Councillor Randle left the hui at 3.03pm)

2.3 Submission on the Inquiry on Climate Adaptation (Community-Led Retreat and Adaptation Funding: Issues and Options Paper)

Moved Deputy Mayor Foon, seconded Councillor O'Neill

Resolved

That Te Kaunihera o Pōneke | Council:

1. Receive the information.
2. Approve the submission, as set out in Attachment One: Wellington City Council's submission on the Inquiry on Climate Adaptation (Community-Led Retreat and Adaptation Funding: Issues and Options paper).
3. Agree to delegate authority to the Chair and Deputy Chair of Te Kaunihera o Pōneke | Council and the Chief Executive to finalise the submission, including any amendments agreed by Te Kaunihera o Pōneke | Council and any minor consequential edits.

Carried

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz, Councillor Brown, Councillor Calvert, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera

Against:

Councillor Chung, Councillor Young

Absent:

Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 10:2

Carried

(Councillor Apanowicz left the hui at 3.17pm)

2.4 Wellington District Licensing Committee Annual Report for the Year Ending 30 June 2023

Moved Councillor Matthews, seconded Councillor Pannett

Resolved

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree that this Annual Report may be submitted to the Alcohol Regulatory Licensing Authority (ARLA).

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Absent:

Councillor Apanowicz, Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 11:0

Carried

Meeting duration

Moved Councillor Young, seconded Councillor Matthews the following procedural motion:

Resolved

That Te Kaunihera o Pōneke | Council agree to extend the meeting beyond six hours, in accordance with standing order 11.7.

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Councillor Brown

Absent:

Councillor Apanowicz, Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 10:1

Carried

2.5 Proposed Road Closure

Moved Councillor Calvert, seconded Councillor Chung

Resolved

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree to close Ganges Road (Agra Street to Dekka Street - one way portion only from number 1 to 19) for the Khandallah Fair on 10th December 2023, from 6.00am to 4.00pm. The road closure will apply to vehicles and cyclists including motorised scooters, and is subject to the conditions listed in the proposed road closure impact report.

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Absent:

Councillor Apanowicz, Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 11:0

Carried

2.6 Road Stopping – Land Adjoining 3 Liffey Street, Island Bay

Moved Councillor Abdurahman, seconded Deputy Mayor Foon

Resolved

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Declare that the approximately 23 m² (subject to survey) of unformed legal-road land (the Land) adjoining 3 Liffey Street (Part Lot 3 DP 1911, held on ROT WNB1/687) is not required for a public work and is surplus to Council's operational requirements.
- 3) Agree to dispose of the Land.
- 4) Delegate to the Chief Executive Officer the power to conclude all matters in relation to the road stopping and disposal of the Land, including all legislative matters, issuing relevant public notices, declaring the road stopped, negotiating the terms of the sale or exchange, imposing any reasonable covenants, and anything else necessary.
- 5) Note that if objections to the road stopping process are received and the applicant wishes to continue, a further report will be presented to the Regulatory Processes Committee and Council for consideration.

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Absent:

Councillor Apanowicz, Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 11:0

Carried

2.7 Actions Tracking and Forward Programme

Moved Deputy Mayor Foon, seconded Councillor O'Neill

Resolved

That Te Kaunihera o Pōneke | Council:

1. Receive the information.

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Absent:

Councillor Apanowicz, Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 11:0

Carried

4. Public Excluded

Moved Deputy Mayor Foon, seconded Councillor Matthews

Resolved

That Te Kaunihera o Pōneke | Council:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
4.1 Local Government Funding Agency Annual General Meeting Voting	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

Carried

A division was required under Standing Order 27.6(d), voting on which was as follows:

For:

Mayor Whanau, Councillor Abdurahman, Councillor Calvert, Councillor Chung, Deputy Mayor Foon (Deputy Chair), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Wi Neera, Councillor Young

Against:

Councillor Brown

Absent:

Councillor Apanowicz, Councillor Free, Councillor McNulty, Councillor Paul, Councillor Randle

Majority Vote: 10:1

Carried

The hui went into public-excluded session at 3.31pm.

The hui returned from public-excluded session and concluded at 3.34pm with the reading of the following karakia:

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

Authenticated: _____
Chair

Ordinary Meeting of Te Kaunihera o Pōneke | Council

Minute item attachments

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

Business

Page No.

3.1 Report of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting of 25 October 2023

- | | |
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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Wellington City Council's annual report for the year ended
30 June 2023

The Auditor-General is the auditor of Wellington City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 25 October 2023. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statements of service provision

In our opinion:

- the financial statements in Volume 2, pages xx to xx:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2023;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement in Volume xx, page xx, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan ;
- the statement about capital expenditure for each group of activities in Volume 2, page xx, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities in Volume 2, pages xx to xx, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

Qualified opinion on the statements of service provision

In our opinion, except for the possible effects of the matters described in the Basis for our opinion on the audited information section of our report, the statements of service provision in Volume 1, pages xx to xx and xx to xx:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) in Volume 2, pages xx to xx, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's audited information and, where applicable, the City Council's Long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Measurement of Wellington City Council Group greenhouse gas emissions

The Council has chosen to include a measure of the quantity of greenhouse gas emissions (GHG) emissions from the Council and group in its performance information. This includes emissions generated directly by the Group itself, as well as indirect emissions related to the products and services used by the Council and Group. We consider this material performance information because the Council has declared a climate emergency and because of the public interest in climate change related information.

In measuring the GHG emissions associated with certain goods and services purchased by the Council 2023 performance year, including capital goods, the Council has relied on spend-based emissions factors based on 2015 data. There is insufficient evidence to show that these factors are relevant for use in measuring the Council's GHG emissions for the year ending 30 June 2023, and we were unable to obtain sufficient alternative evidence to conclude that the reported performance is materially correct.

As a result of this issue, our work over the Council's scope three emissions was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for the performance measure described above. Our opinion on this performance measure was also qualified in the 2022 performance year, on the basis that the Council had relied on spend-based emissions factors based on 2007 data in that year.

Without further modifying our opinion, we also draw attention to the inherent uncertainty disclosure in Volume 1, page xx of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Water services' performance measures

Six councils, including the City Council, are joint shareholders in Wellington Water Limited (Wellington Water). Wellington Water manages the six councils' water assets and services on their behalf. A Committee represented by a member of each shareholding council monitors the performance of Wellington Water. Wellington Water reports its performance in respect of water services to the six councils, which are required to report thereon in their respective statements of service provision.

We identified issues with some of these performance measures as described below.

Total number of complaints received – Water supply, Wastewater, and Stormwater

The City Council was unable to provide a complete record of all complaints received as some complaints were made directly to Wellington Water. The City Council was unable to reconcile its information with that held by Wellington Water. There were no practical audit procedures we could apply to obtain assurance over the completeness or accuracy of reported results for these

performance measures. Our opinion on these performance measures was also qualified for the 2022 performance year.

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter - uncertainty over the water services reform programme

Without further modifying our opinion, we draw attention to note xx in Volume 2, page xx, which outlines developments in the Government’s water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities’ establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the City Council as outlined in note xx remains uncertain until the relevant water services entity’s establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council’s responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's annual plan and Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included in Volume 1, pages xx to xx, xx to xx and xx to xx, and Volume 2, pages xx to xx and xx, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the "Basis for our opinion on the audited information" section above, we could not obtain sufficient evidence to confirm the service performance information relating to GHG emissions and certain water measures. Accordingly, we are unable to conclude whether or not the other information that includes related information is materially misstated with respect to this matter.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and the report on the disclosure requirements, we have carried out a limited assurance engagement related to the City Council's debenture trust deed, provided probity assurance for the Central Library seismic strengthening and refurbishment project, and the main contractor for the Healthy Homes project, and performed a review of the revenue and expenditure of the Clifton Terrace Car Park managed by the City Council on behalf of Waka Kotahi NZ Transport Agency. These engagements are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the City Council or its subsidiaries and controlled entities.



Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

25 October 2023

Karen Young
Appointed Auditor
Audit New Zealand

Email: karen.young@auditnz.parliament.nz

Dear Karen

Representation letter for the year ended 30 June 2023

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements and statement of service provision (described as “Our performance in detail” in the Annual Report) of the Wellington City Council (the City Council) and group for the year ended 30 June 2023 for the purpose of expressing an independent opinion about whether:

- the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 30 June 2023; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council’s Long-term Plan.
- the statement of service provision:
 - presents fairly, in all material respects (with the exception of the *Measurement of the City Council Group greenhouse gas emissions* (scope 3 emissions)) and the *Total number of complaints received – Water supply, Wastewater and Stormwater*), with the City Council’s levels of service for each group of activities for the year ended 30 June 2023, including:

Wellington City Council

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Wellington.govt.nz

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.
- The statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan.
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

We understand that, because you will be issuing a non-standard audit report, the Auditor-General has the responsibility to refer to that audit report in a report to Parliament in accordance with section 20 of the Public Audit Act 2001.

Specific representations

- Holiday Pay - We have identified issues with the calculation of leave entitlements under the Holidays Act 2003. The City Council is working on remediating the payroll system and calculating any liabilities that are due and owing to current and past employees. The current and past employees actually affected and any associated liability is not known at this stage. As the City Council's liability cannot be reliability estimated at this time, no provision or liability has been recognised at 30 June 2023. For this reason, the City Council has recognised any entitlements that may be owing as an unquantifiable contingent liability.
- The carrying value of three waters and roading assets accounted for on a revaluation basis does not materially differ from fair value.

General responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;

- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament’s and the public’s expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the City Council and group) to prevent and detect fraud or error, and which enables the preparation of the financial statements and the statement of performance that are free from material misstatement whether due to fraud or error.

Representations on the financial statements and the statement of service provision

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service provision, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service provision as required by the Local Government Act 2002 and, in particular, that:
 - the financial statements:
 - present fairly, in all material respects:
 - the financial position of the City Council and group as at 30 June 2023; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
 - the statement of service provision:
 - presents fairly, in all material respects (with the exception of the *Measurement of the City Council Group greenhouse gas emissions* (scope 3 emissions)) and the *Total number of complaints received – Water supply, Wastewater and Stormwater*, the City Council and group’s levels of service for each group of activities for the year ended 30 June 2023, including:

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long term plan;
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan;
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan;
- we have complied with the requirements of Schedule 10 of the Act that apply to the annual report;
- we have made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations 2014);
- we believe the methods, significant assumptions, and data used in making and supporting accounting estimates and the related disclosures in the financial statements and performance information are appropriate to achieve recognition, measurement, or disclosure that is in accordance with Public Benefit Entity Reporting Standards;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to 30 June 2023 that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements and statement of service provision as a whole. (a list of the uncorrected misstatements is attached as Appendix to this representation letter);
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually and in aggregate, to the financial statements as a whole; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and

claims have been accounted for and disclosed in accordance with Public Benefit Entity Reporting Standards.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service provision; and
 - unrestricted access to persons within the City Council and group from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of service provision may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the City Council and group and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements and statement of service provision;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the City Council and group's financial statements and statement of service provision communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service provision, including possible non-compliance with laws for setting rates;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the performance information which are consistent with one another, and the other information does not contain any material misstatements; and
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the financial statements and statement of service provision and related audit report on a website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service provision.

The electronic version of the audited financial statements and statement of service provision and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service provision and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and statement of service provision and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service provision is provided on a website, the financial statements and statement of service provision are also provided in full.

Going concern

We confirm that, to the best of our knowledge and belief, the City Council and group have adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service provision for the year ended 30 June 2023. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the City Council and group during the period of one year from 25 October 2023 and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service provision adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the City Council and group.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the City Council and group and to confirm information given to you orally.

Yours sincerely



Tory Whanau
Mayor



Barbara McKerron
Chief Executive

Appendix: Uncorrected misstatements

Note	Statement of comprehensive income		Statement of financial position	
	Dr \$000	Cr \$000	Dr \$000	Cr \$000
1	-	2,900	2,900	-
2	2,800	-	--	2,800
3	-	-	491	491

Explanation for uncorrected misstatements

1 Errors in random sample of accruals tested extrapolated across the population

As a result of the misstatement, accrued liabilities and expenses are overstated by \$2.9m

Management comment

We note that the estimate of the overstatement is based on a small sample of testing by the auditor. We consider that the additional work and time required to accurately quantify and correct any misstatement would be time consuming. We also consider the value of the extrapolated misstatement to be immaterial and therefore does not justify the additional work required to accurately quantify and correct any misstatement.

2 Impairment of streetlights

To reflect the reduction in service provision of faulty streetlights.

As a result of the misstatement, impairment expenses and roading assets overstated by \$2.8m

Management comment

The process for remediating the streetlight spigot issue is underway, with work expected to be completed by the end of FY23/24. As a result, this matter is not expected to be an ongoing issue.

3 Fuel tax account

Bank account in the Council's name for fuel tax account which holds petrol duties connected on behalf of five councils in the Wellington region. At 30 June 2023, the balance of this account is \$491,000. The account is not reflected in the Council's financial statements.

As a result of the misstatement, cash and cash equivalents and accounts payable is understated by \$0.49m.

Management comment

This fuel tax bank account has been held in the Council's name for the past few decades and has not previously been included in the financial statements or disclosures. However, we accept that the asset and corresponding liability could be included in the financial statements and going forward Council will reflect this in next year's financial statements.