



2012
—
2013 Wellington City Council

SUMMARY **annual** report

Welcome to our summary of the 2012/13 annual report.

The 2012/13 year was the first year of our Long-term Plan to implement the vision *Wellington Towards 2040: Smart Capital*. In this summary report you will see highlights of what we have done over the past 12 months, how we performed and what it cost.

The year was another busy one for Wellington City, and can be characterised as a year of partnerships and creating the conditions for our new, diverse and innovative economy to thrive.

In this summary report, there is also a summary of our financial performance and position.

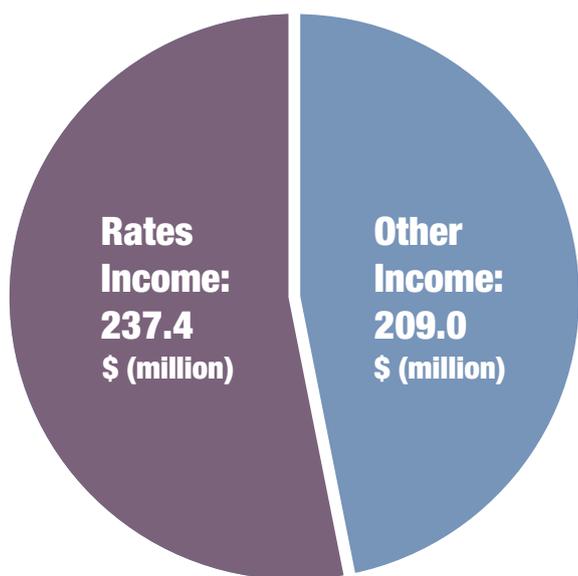
Celia Wade-Brown
Mayor
20 September 2013

Kevin Lavery
Chief Executive
20 September 2013

Andy Matthews
Chief Financial Officer
20 September 2013

KEY FINANCIAL FACTS

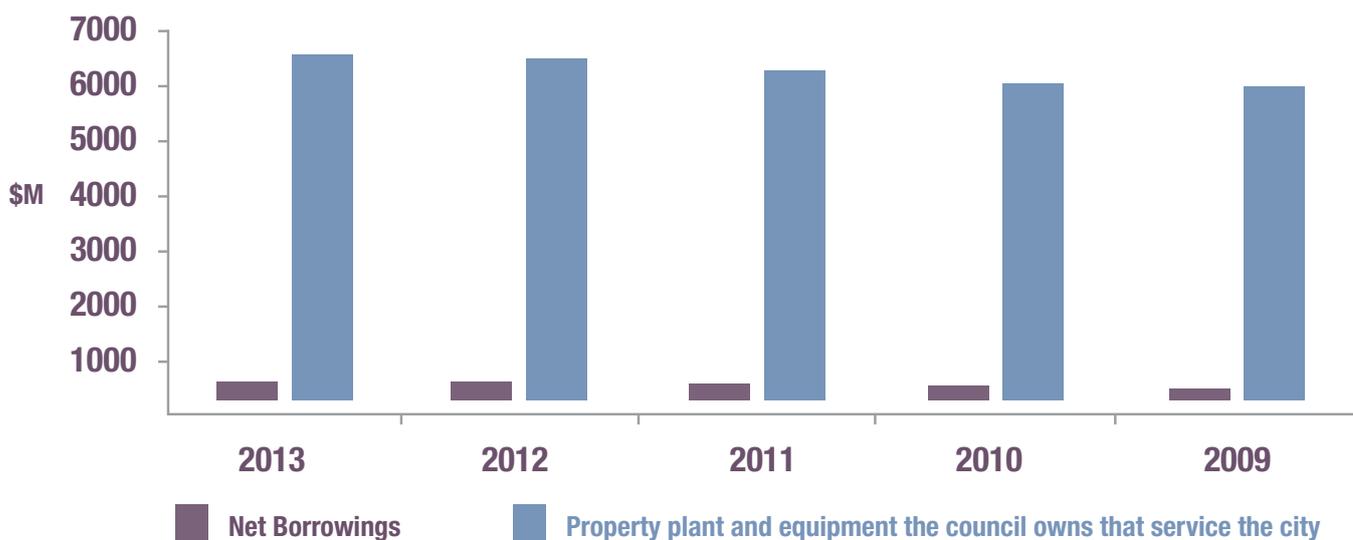
Just over half of our income comes from rates which means a significant portion comes from other sources



Income source	\$ (million)
General household rates	74.8
General commercial rates	63.9
Sewerage rates	33.5
Stormwater rates	17.4
Water rates	34.0
Downtown Levy	13.7
Other rates	0.1
Income for capital expenditure	39.6
Revenue from operating activities	122.6
Revenue from investments	23.6
Other income	23.2

Our borrowings and our assets

Borrowings are used to fund assets that will deliver services to Wellington for many years.



The Council's level of debt, in simple terms, equates to a 5.4% mortgage on the city's assets

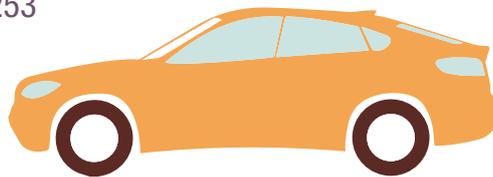
WHERE THE MONEY WAS SPENT

Cost per resident per year

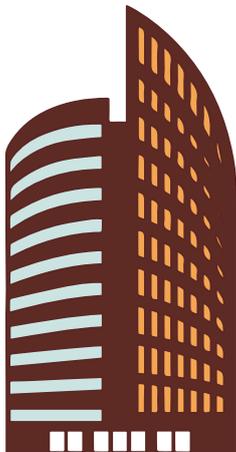
Economic development
\$165



Transport
\$253



Urban development
\$182

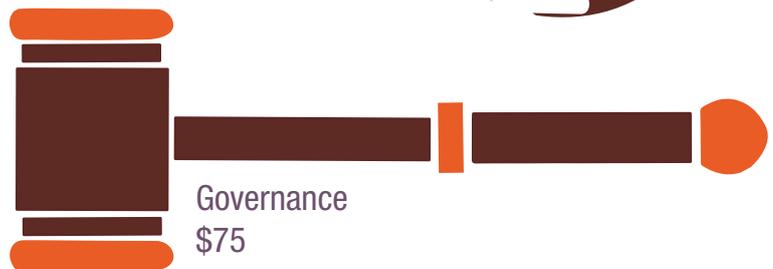
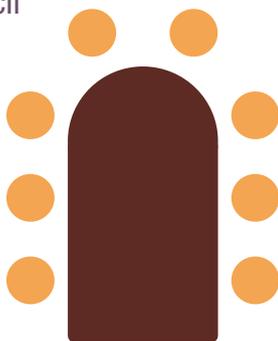


Environment
\$700

Social and recreation
\$483



Council
\$142

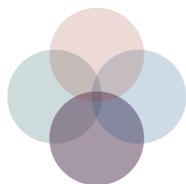


Governance
\$75

TOTAL \$2,089

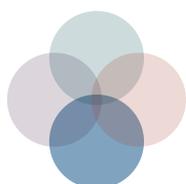
WELLINGTON 2040 INDICATORS

These indicators highlight our progress towards reaching our vision of *Wellington Towards 2040: Smart Capital*. For further results on these long term outcomes see the Monitoring Information on page 198.



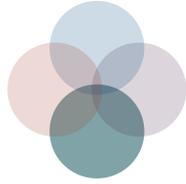
Dynamic central city 2012/13

GDP per capita growth	GDP per capita growth for 2012–13: 0.2%
New jobs across the city in smart, knowledge intensive areas:	Number of new jobs in 'smart' businesses: 451; Total new jobs 2168.
The population of the central city and the proportion of growth in the CBD	13,134 people reside in the central city, equating to 7.3% of the city's population.
The number and growth of enterprises and jobs in the central city	City – enterprises: 25,086; jobs: 140,320. Central city – enterprises: 8,641; jobs: 96,410.
The resolution rate of earthquake prone buildings and community preparedness	Identified earthquake prone buildings strengthened/demolished 2012/13: 44 Residents with emergency items and plan: items: 78% Plan: 42%
Residents sense of pride in the look and feel of the central city	82% of residents feel a sense of pride



Eco city 2012/13

City wide greenhouse gas emissions	We have commissioned URS to do our city-wide greenhouse gas inventories for 200/01, 2006/07, 2009/10 and 2012/13 using the latest international best practice methodology. This will be reported on in the 2013/14 Annual Report.
The mode of residents' travel into the CBD and amount of fuel sold in the city	Car: 33%; Bus: 34%; Walking: 20%; Train: 6%; Cycle:3%. Fuel used on Wellington roads: 2012/13: 1,843 litres/person
Landfill waste per capita	0.41 tonnes/person.
The breadth and health of native bird species	See page 198 in the Monitoring information
New Zealanders perception of the extent that Wellington is an eco-city	27% of New Zealanders agree that Wellington is an eco-city
GWH of renewable energy generated within the city's boundaries	Total renewable energy generated in the city = 475,850 MWh, which is equivalent to 35% of the city's electricity consumption.
Growth of 'smart' jobs and enterprises	Number of smart businesses in the city: 4,507; Percentage of employees working in smart business sector: 11.6%



Connected city

Access to, and usage of broadband (including ultrafast)

Peak travel times

Usage of public transport (trains and buses)

Value of exports

Number of international air connections

2012/13

97% of residents have access

Peak travel times between CBD and suburbs (Peak travel time range (minutes))

Miramar 10.0–15.0

Karori 9.0–24.0

Island Bay 8.0–21.0

Johnsonville 7.0–26.0

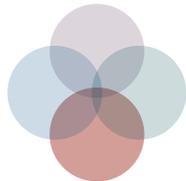
Total passenger boardings: Bus: 23,608,000; Trains: 11,355,000 (Wellington Region)

Wellington Airport: Tonnage: 870, Value \$18.5M

Wellington Seaport: Tonnage 1.15M; Value \$989M

One – Australia

Where talent wants to live



People centred city

2012/13

Residents health (chronic disease rates) and their perceptions of safety

Health info – Heart disease: 3.3%, Diabetes: 4.9%, Obesity: 25.7%
Central city day = 98%. Central city night = 72%. Neighbourhood day = 99%.
Neighbourhood night = 85%.

Resident perceptions of their quality of life

88% of residents rate their quality of life as extremely good or good

Average incomes of residents and labour force participation

(2006 Census data): Median personal income: \$32,500; Median Household Income: \$72,200. (2012/13) Labour force participation rate: 71.5%

The diversity of the population and residents' values regarding diversity

30% of the city's population are non-European.
67% of residents believe that different lifestyles and cultures make Wellington a better place to live.

Educational achievement and youth participation

33% of Wellingtonians over the age of 15 have a Degree-level qualification or higher. (2006 census data – not updated) youth NEET rates: 9.9%

Ratio of income to cost of living

Between 2011 and 2012, the ratio between earnings and cost of living increased by 0.8% (became more expensive).

Resident perceptions of their social networks and community cohesiveness

School or work network: 58%; Hobby/interest group: 30%; Online community groups (eg Facebook): 51%; Sports club: 29%; Church/spiritual group: 19%; Community/voluntary group: 18%; Friends: 3%.

Residents' perceptions that they feel a sense of community with others in their local neighbourhood: 53%



OUR ACTIVITIES

Governance Pārongo ā-Tāone

We want to involve people, and maintain their confidence, in our decision-making

WHAT WE DO

- City governance and engagement
- Māori and mana whenua partnerships

OUR GOVERNANCE ACTIVITIES CONTRIBUTE TO US BEING:

- People-centred: These activities enhance trust and confidence in civic decision-making and encourage the community to participate in city governance. They promote inclusiveness, celebrate social and cultural diversity, and enables us to respond to the needs and aspirations of Māori and mana whenua.
- Connected: Providing information about our services allows people to use the city's services, facilities and activities.

HIGHLIGHTS

- We completed preparations for the 2013 local authority elections by updating the ratepayer roll and finalising the contract with electionz.com Ltd for providing election processing and electoral officer support services.
- As part of our e-meetings solutions project we upgraded Committee Room One with 'collapsible' computer screens, and rolled out Council DashBoard – a Cloud based solution to deliver meeting documents on iPads for the Mayor and Councillors.
- We led a comprehensive engagement and consultation programme across the city to develop a draft Alcohol Management Strategy, from which 277 submissions were received. Key stakeholders included students, licensees, City Housing tenants, Pacific and ethnic communities, Māori communities, the hospitality and retail industries, Police, the Medical Officer of Health, and residents associations.
- The Council partnered with other councils in the region to look at whether a different governance arrangement for the Wellington region would be beneficial for residents and businesses. A working party was established with Greater Wellington Regional Council, Kapiti District Council and Porirua City Council, and concluded that

a single unitary council, with or without the Wairarapa, would be the best option for providing the necessary scale to deliver improvements for the region.

- Te Kōnohete, the public sector kapa haka concert was held in Wellington Town Hall. Twelve kapa haka rōpū participated representing 15 government agencies and an estimated 1000 people attended throughout the event.
- Waitangi Day celebrations were held on the waterfront in partnership with the Port Nicholson Block Settlement Trust.

We continue to engage our iwi partners regularly on matters of partnership, participation and protection, as agreed in our Memoranda of Understanding with Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira Incorporated.

How we performed

Several of our engagement targets were not met. This year, to take advantage of new technology and reduce costs, we changed how we survey Wellingtonians about our performance. We moved from telephone surveys to an online panel. As anticipated, this has had an impact on some of our results. It is not possible to know how much of the change is due to the change in method and how much is due to an actual drop in performance, but we will be looking further at these results to identify what we could do to improve our future performance in these areas. As a result the Council is revising its Engagement Policy and developing a plan to improve its approach to consultation and engagement. This will address barriers to people's understanding of our consultation processes and participation in decision making.

All meeting agendas were made available to the public at least two days before meetings, and 80 percent were available five days prior, an improvement on previous years.

Our mana whenua partners perceive their overall relationship with the Council positively however there was a drop in the number of Maori residents who are satisfied or neutral with their involvement in decision-making.

WHAT IT COSTS

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
Information, consultation and decision-making	14,771	\$1.42
Maori engagement (including Mana Whenua)	222	\$0.02
Total Governance	14,993	\$1.44

Environment Taiao

We balance conservation with opportunities for enjoyment and recreation

WHAT WE DO

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

OUR ENVIRONMENT ACTIVITIES CONTRIBUTE TO US BEING:

- **People-centred:** High-quality natural environments enhance Wellington's unique 'sense of place', making it an even better place to live, work and play. They also attract visitors and provide attractive, safe and accessible opportunities for leisure and recreation.
- **Dynamic central city:** A reliable and adequate supply of clean and safe water is critical for people to live, work study and play in the central city and, increasingly, will distinguish Wellington from other cities as a desirable and healthy place to live and establish a business.
- **Connected:** Accessible and high-quality natural and green environments encourage people to gather together, share activities and connect with each other. Networks of green spaces and corridors link the city with its coastline and beaches. Conservation connects people with the environment and links the present to the future.
- **Eco-city:** High-quality natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions. They model Wellington's leadership role as capital city of a clean and green New Zealand and as a leading sustainable city of the 21st century.

Highlights

- Otari-Wilton's Bush was reassessed as a 'Garden of National Significance' by the Royal New Zealand Institute of Horticulture.
- We distributed 28,112 native eco-sourced plants to environmental community groups in the city, for planting as part of ecological restoration projects. We distributed 10,000 plants to private residents under the reserve and road reserve planting schemes.

- We ran a hugely successful Wellington Coastal Clean Up that involved over 500 people and collected over five tonnes of rubbish.
- The Council partnered with the Energy Efficiency and Conservation Authority and Capital Coast District Health Board to fund 220 retrofits of low-income housing in Wellington. The Warm Up Wellington programme was delivered through the Sustainability Trust.
- A major rainfall event on 6 May caused widespread surface flooding and flooding of 32 residential and commercial buildings. In response we implemented the Capacity Emergency Management Plan and set up an emergency control centre at the Council in conjunction with maintenance contractor City Care.
- The Zoo Trust celebrated its tenth anniversary.

Partnering with Envirocomp

We are working in partnership with New Zealand's first nappy composting service, Envirocomp. As a single use item nappies are a divertible waste stream from landfills, and Envirocomp is a local business that provides a network of nappy collection points for Wellingtonians. The service is for people who are willing to pay a nominal fee to have nappies recycled rather than disposed of in the landfill. The Council has subsidised the first 5200 nappy recycling bags sold in the city, and set up a drop-off point at the Southern Landfill recycling centre.

How we performed

We achieved some of our targets. Our total city water consumption has decreased by over two billion litres since last year, and our unaccounted for water from the network has decreased by two percent. Visitors to the Wellington Zoo exceeded target by over 20,000.

We did not meet target with our response times for service requests in the wastewater and stormwater areas. However, despite the non-compliance no complaints were received.

WHAT IT COSTS

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
Gardens, beaches and green open spaces	30,381	\$2.92
Waste reduction and energy conservation	9,983	\$0.96
Water	37,668	\$3.62
Wastewater	39,154	\$3.76
Stormwater	17,490	\$1.68
Conservation attractions	5,354	\$0.51
Total Environment	140,030	\$13.45



Economic Development Whanaketanga ōhanga

Central city activity drives the economy

WHAT WE DO

- City promotions and business support

OUR ECONOMIC DEVELOPMENT ACTIVITIES CONTRIBUTE TOWARDS US BEING

- People-centred: Our activities make Wellington a vibrant and entertaining place to live. They connect people with places and ideas, make Wellington an attractive place to live and do business, and attracts tens of thousands of visitors to the city every year.
- Connected: Major events, and our performance spaces and conference venues connect us to artists and events of national and international significance, and Wellington's story is connected to the world by Positively Wellington Tourism's marketing and promotion. Event-based websites and social media platforms are connecting people to what is on and how they can be there.
- Dynamic central city: Our events, festivals, spaces and venues anchor Wellington's appeal as a place of creativity, exploration, innovation and excitement. Iconic events such as the World of WearableArt® awards show (WOW), the International Festival of the Arts and the International Rugby Sevens are world class and an integral part of our Dynamic Central City.

Highlights

- The fourth annual Visa Wellington On a Plate was enjoyed by 20,500 festival-goers who participated in 106 Festival Events and dined at 108 DINE restaurants over the 17 days. New spend by visitors from outside the Wellington region generated \$1.41 million in direct spending.
- The world premiere of *The Hobbit: An Unexpected Journey* was on 28 November. The Council ran a number of events including the five-day Hobbit-inspired Artisan Market in Waitangi Park, with 19 stallholders plus food and drink outlets. There were also outdoor public screenings of the *Lord of the Rings* trilogy, at Waitangi Park.
- The historic Australian Football League match between St Kilda and Sydney was played at Westpac Stadium on ANZAC Day with over 22,000 supporters attending.
- The Council, in association with Wellington Returned Services Association held a series of ANZAC Day events. The Dawn Parade, Dawn Service and Wreath Laying ceremonies are popular

events, attended by a from a large cross-section of the Wellington community. Over 7000 people attended the Dawn Parade and service, joined by the New Zealand Prime Minister and two Australian Federal Government Ministers.

- We celebrated 25 years of our sister-city relationship with the Chinese city of Xiamen with a visit to Wellington by Xiamen Deputy Mayor Kang Tao and city officials, and the opening in Wellington of *Charming Xiamen* (a photography exhibition).
- Destination Wellington – the Council established a programme of work to attract, retain and grow investment, to create jobs and to support sustainable economic growth. A collaborative team was formed, involving the Council, Positively Wellington Tourism and Grow Wellington to run the programme.
- We developed an action plan for the Open for Business programme which is part of the Economic Development Strategy. As part of this 'can-do' programme we will engage with key businesses in the city to further our understanding of the challenges and opportunities they face.

We worked closely with Wellington Waterfront Limited to deliver a number of successful events on the waterfront, including New Year celebrations, Hertz Sevens, Homegrown, Pinot Noir Festival, AMI Round the Bays, Dragon Boating, Asian Night Market, Fringe Festival events, and Chinese New Year.

How we performed

Most targets were achieved but some were not met. Wellington Venues occupancy was under target but this is calculated as the total number of hires at the venue, rather than actual days, as venues can be hired for multiple events within one day. How we measure this is being reviewed. Major ticketed events attracted significant visitor numbers and economic benefit. We met our overall goal of economic benefits outweighing costs by a ratio of at least 20:1, and achieved 24:1.

What it costs

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
City promotions and business support	33,033	\$3.17
Total Economic development	33,033	\$3.17



Cultural Wellbeing

Oranga ahurea

Supporting arts activities adds vibrancy to the city

WHAT WE DO

- Arts and cultural activities

OUR CULTURAL WELLBEING ACTIVITIES CONTRIBUTE TOWARDS US BEING

- People-centred:** They shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and history. By enabling Wellington's creative communities to thrive, they promote inclusive, tolerant and strong communities.
- Connected:** They provide ideas and places where people can connect, share what is common and explore what is different and new. They connect the present with the past and both with the future. Through events and collaborations they connect us with people, places and ideas here and abroad.
- Dynamic central city:** They enhance Wellington's vibrancy as a diverse and eventful place where people want to live work and play.

Highlights

- The Museum of Wellington City & Sea was chosen by *The Times* of London in its Sunday edition as one of 50 top museums in the world; the only New Zealand museum on the list. This accolade has been followed-up with popular recognition through the 2013 Trip Advisor Traveller's Choice Award naming our museum as one of the top 25 in the South Pacific and one of the top 10 in New Zealand.
- Summer City ran early in the year, with over 80 events held. Highlights included ASB Gardens Magic, Films by Starlight, Pasifika Festival, Waitangi Day celebrations, Island Bay Festival, Bowl-a-rama Skate Festival, Chinese New Year parade, NZCT Dragon Boat Festival, Newtown Festival, and the South East Asian Night Market.
- Africa Day was celebrated on a larger scale than previously to mark the 50th anniversary of African Unity. The rich African culture was demonstrated through performance, fashion, crafts and food. A fashion show was held at Te Papa in the lead-up to the event. The celebrations were largely organised by the newly-formed African Community Council and supported by the Council as well as Police and Department of Internal Affairs.
- We facilitated relationships to allow art and business collaborations, for example supporting the Urban Dream Brokerage – an agency that

brings property managers and the creative industry together through the creative use of vacant spaces in Wellington.

- Artsplash, Wellington's Young People's Arts Festival, had 7528 children from 103 primary and intermediate schools participate and present their art to an audience of 21,000.

This year's Matariki celebrations were held in collaboration with 20 organisations. A particular focus was on waka, navigation and voyaging. The double-hull waka Te Matau a Maui arrived from Napier, sailed by Ngāti Kahungunu, and was welcomed into Wellington Harbour by mana whenua Taranaki Whānui and the Council to mark the beginning of Matariki.

How we performed

We met most of our targets. There was an increase of 60,000 people attending arts and cultural festivals compared to last year, and the total visits to museums and galleries exceeded target by over 24,000.

What it costs

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
Arts and cultural activities	17,938	\$1.72
Total Cultural Wellbeing	17,938	\$1.72





Social and Recreation Pāpori me te hakinakina

We recognise the importance of building local community resilience

WHAT WE DO

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

OUR SOCIAL AND RECREATION ACTIVITIES CONTRIBUTE TOWARDS US BEING:

- **People-centred:** Access to recreation opportunities is important for people's health and wellbeing. Our recreation facilities provide a wide range of health and wellbeing benefits to the people who use them.
- **Connected:** They help people and communities connect and engage with each other and foster the exchange of knowledge and ideas through social, physical and virtual networks.
- **Dynamic Central City:** They respond to the diversity of individual and community needs and promote a diverse, safe and vibrant city.

Highlights

- We opened a hydrotherapy pool at Wellington Regional Aquatic Centre; Tawa Pool was re-opened following a 12-month closure for earthquake strengthening and construction of a new roof. We also opened a teaching pool at Karori Pool and started work on the extension to Keith Spry Pool.
- Our Summer Reading Challenge for children encouraged them, to read and review as many titles from the list as they could over seven weeks. Over 900 entries were received.
- Leisure Card membership continued to grow with more than 7000 Wellingtonian card holders and over 120,000 visits to our recreation facilities during the year.
- We support 52 organisations with long-term contract funding to support issues such as youth development and homelessness, and social and recreational activities such as volunteering.
- We have completed the first five years of our 20-year social housing upgrade programme in partnership with the Crown. The upgrade of Central Park and Newtown Park apartments was completed,

construction started at Berkeley Dallard apartments and Marshall Court, while the revised preliminary design of Kotuku is underway.

- As part of a personal safety campaign we launched Wolf Pack campaign. This was developed with third-year Massey University Visual Communication Design students and included a mobile app where users can stay connected to friends and be safe.
- During the course of the year, WREMO, along with regional operations, responded to the following events: a Tsunami alert, a rural fire, landslide, and severe storm.

We worked collaboratively with the homeless community, government agencies and community organisations that support the city's vulnerable residents to develop Te Mahana – a draft strategy to end homelessness in Wellington by 2020.

How we performed

Most performance targets were met. While user satisfaction with libraries was down, the number of items issued increased along with the estimated attendance at library programmes.

Overall attendance at the ASB sports Centre exceeded target, as did the percentage of scheduled sports games and training over the summer and winter – however the summer peak usage of artificial pitches was down. We will continue to work with summer sporting codes to increase the transition from grass to artificial fields.

While the number of food premises with an excellent or very good hygiene rating did not meet our target, it was a nine percent improvement from last year.

What it costs

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
Recreation promotion and support	35,650	\$3.43
Community support	49,126	\$4.72
Public health and safety	11,918	\$1.15
Total Social and Recreation	96,694	\$9.30

Urban development Tāone Tupu Ora

Wellington is compact, vibrant, attractive and safe

WHAT WE DO

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

OUR URBAN DEVELOPMENT ACTIVITIES CONTRIBUTE TOWARDS US BEING:

- **People-centred:** They promote the adequacy and safety of our homes and buildings and reduce the risks of injury and damage from earthquakes.
- **Eco-city:** They promote intensive development rather than sprawl into green spaces and encourage the greening of streets, buildings and places. They promote walking and riding on buses and bikes.
- **Connected:** They connect people with places and make them easy to find and functional.
- **Dynamic central city:** They promote accessible and safe places where people want to live, work, and play, and where they can meet to share events and ideas. They encourage a built form and urban culture that reflects the energy of diversity the people, and they shape a place where ideas, innovation and difference can be expressed and supported

Highlights

- We coordinated an extension of the recent Victoria University student project on Cuba Street. Our Heritage and Earthquake Resilience teams collaborated with 80 fourth-year students from Victoria University School's of Architecture and Design, on a project "What would Cuba Street look like in 20 years?". It focused on exploring options for the earthquake strengthening of Cuba Street buildings while retaining their heritage character and that of the street. An exhibition of the students' work was held at the Schools of Architecture and Design in November 2012, and provided innovative and provocative solutions.
- Memorial Park – we have been working in partnership with the New Zealand Transport Agency and other parties, including the Australian Government on developing this high-quality park. We are contributing \$5 million of capital funding to this work in 2013/14. The timing of the work will ensure the park will be completed for the centenary ANZAC commemorations and the 150th anniversary of Wellington's capital city status in 2015.

- We are upgrading Miramar Town Centre. The public space improvements will include better parking and pedestrian safety, creation of more public space, and relocation of the public toilets. We have worked closely with the local community and businesses to ensure that the design was right for the area and businesses would be able to operate throughout the whole process of construction.
- We passed our biannual review and retained accreditation as a building control authority. The accreditation scheme was introduced by the Government to help ensure that buildings are built right first time.
- Wellington Rocks!, an earthquake risk and building safety expo was held in April. Over 1200 people attended the expo with a further 600 attending the parallel seminar series.

In conjunction with WREMO and GNS we undertook 26 seminars, for communities and businesses so they are better informed them about earthquake risk and the need for personal preparedness. Over 1400 people attended these sessions and the feedback received was very positive.

How we performed

Most of our targets were met. We completed 866 assessments of potentially earthquake-prone buildings which was more than the 700 required in order for the Council to achieve its target of assessing 85 percent of the total number of known buildings needing assessment.

There was a 21 percent increase in the number of LIMs issued compared to last year and the percentage of properties sold in Wellington that had LIMs issued was 43 percent – up from 39 percent last year.

We fell short in customer satisfaction with development control services; however we have maintained high levels of performance regarding timeframes and issued 100 percent of non-notified resource consents within statutory timeframes for the third year in a row.

What it costs

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
Urban planning and policy	18,522	\$1.78
Building control and facilitation	17,931	\$1.72
Total Urban Development	36,453	\$3.50



Transport Waka

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

WHAT WE DO

- Transport planning
- Parking

OUR TRANSPORT ACTIVITIES CONTRIBUTE TOWARDS US BEING:

- People-centred: They provide people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.
- Connected: They allow people choosing to travel by car to connect with people and places in the central city for businesses, work or leisure.
- Eco-city: They reflect a commitment to sustainable, safe and efficient transport choices including, walking and biking.
- Dynamic Central City: They provide for easy and affordable movement to and around the central city, especially by walking. They link people with places, events and activities and with commerce, business and trade.

Highlights

- We completed a further stage of safety improvements on Willis Street including new paving and street furniture at the Bond Street intersection, and completed the last stages of the major upgrade of the intersection of Adelaide Road, Riddiford and John streets.
- The Karori Tunnel was earthquake strengthened including completion of a retaining wall on the Glenmore Street side and new, more effective and efficient LED lighting in the tunnel.
- We installed approximately 40 'stop boxes' that give cyclists a safe haven while waiting for the traffic signals to change. In addition to the physical benefits these boxes also help to remind drivers about the presence and importance of cyclists sharing the road.

- We held a forum to share our plans with cyclists and provide an opportunity for cyclists to provide feedback through a workshop. This forum had over 200 attendees and provided valuable insight for future investment.
- We introduced a Kea Crossing at Karori Normal School, which increases the level of warning devices for motorists before and after school hours around the crossing area.
- We added Snapper as a payment option on 600 pay-and-display parking machines covering 3000 parks in the central business district.

During the year, 25 schools have committed to working with the Council to improve road safety for school children. Four more schools have expressed an interest in such a formal commitment.

How we performed

We failed to meet target on most of our measures including resident satisfaction with street lighting in suburban areas. We will analyse of the survey results to see why there was such a drop in satisfaction. Grouping respondents' by location will show whether any significant outages or faults have contributed to this.

We exceeded our target on the number of pedestrians entering the CBD on weekdays and also increased car park turnover rates during the week.

What it costs

ACTIVITY COMPONENT	TOTAL COST (\$000)	COST PER RESIDENT PER WEEK
Transport	40,011	\$3.85
Parking	10,702	\$1.03
Total Transport	50,713	\$4.88





FINANCIAL SUMMARY

The following pages provide a summary of the Council's financial performance. The information has been extracted from the Council's Annual Report for the year ended 30 June 2013.

Summary statement of comprehensive financial performance

	COUNCIL			GROUP	
	ACTUAL 2013 \$M	BUDGET 2013 \$M	ACTUAL 2012 \$M	ACTUAL 2013 \$M	ACTUAL 2012 \$M
Total income	446.4	416.6	465.3	451.7	461.1
Total expense (excluding finance expense)	(395.0)	(356.6)	(381.5)	(410.7)	(398.4)
Finance expense	(23.2)	(22.6)	(21.6)	(23.2)	(21.7)
TOTAL OPERATING SURPLUS	28.2	37.4	62.2	17.8	41.0
Share of equity accounted surplus from associates	-	-	-	12.7	9.1
Net surplus before taxation	28.2	37.4	62.2	30.5	50.1
Income tax expense	-	-	-	(0.1)	(0.1)
NET SURPLUS FOR THE YEAR	28.2	37.4	62.2	30.4	50.0
Other comprehensive income					
Adjustment for wind up of St. James	-	-	14.5	-	-
Revaluations	-	-	48.6	-	48.5
Cash flow hedges	14.0	-	(14.7)	14.0	(14.7)
Fair value through other comprehensive income	(0.1)	(0.4)	(0.6)	(0.1)	(0.6)
Share of other comprehensive income of associates	-	-	-	0.2	36.2
Total other comprehensive income	13.9	(0.4)	47.8	14.1	69.4
TOTAL COMPREHENSIVE INCOME	42.1	37.0	110.0	44.5	119.4

The 'Council' column includes Wellington City Council, Wellington Waterfront Project, Wellington Venues Project and joint ventures with Porirua City Council. The 'Group' covers the 'Council' and its interests in associate and subsidiary entities, including Wellington International Airport Limited and Council Controlled Organisations such as Wellington Venues Limited and Capacity. A diagram of the structure of Council and Group can be found in Note 38 of the Financial Statements.

Net surplus¹

The net surplus is the difference between the expenses the Council incurred during the year and the income received. It is represented by the following formula:

$$\text{Net surplus} = \text{total income} - \text{total expenses}$$

The Council recorded a net surplus of \$28.2 million. The budgeted net surplus was \$37.4 million. The net surplus for the year was \$9.2 million less than budgeted.

The net surplus for the year includes income that was received to pay for capital projects, such as funding from NZTA for roading projects and Housing New Zealand for the upgrades to our social housing.

As the cost for capital projects is not recorded in the Statement of Comprehensive Financial Performance, the Council budgets to generate a surplus.

Total comprehensive income

Total comprehensive income of \$42.1 million represents the net surplus of \$28.2 million adjusted for fair value movements of some of our assets, including plant and equipment and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect changing fair value of assets the Council owns.

Budgeted net surplus

The majority of the budgeted net surplus of \$37.4 million is due to funding received from the Crown to fund capital expenditure projects.

Difference between budgeted and actual net surplus²

	\$000
Budgeted Net Surplus	37,426
Value of assets vested to the Council	10,519
These are assets transferred between the Council and an external party and are recognised as revenue or expense accordingly. The majority are infrastructural assets that have been constructed by developers and transferred to the Council on completion.	
Net fair value gain/(loss)	5,683
These amounts reflect changes in the fair value of our investment properties, loans to related parties and interest rate swaps. These movements are non-cash in nature.	
Net surplus/(deficit) from Wellington Waterfront and Venues Projects and joint ventures	(6,764)
The financial performance (deficit) of these entities is not included in the budget (excludes fair value movements and gains or losses on the disposal of assets which are shown separately).	
Changes to external funding for capital expenditure	(6,675)
This income is received for specific capital projects and cannot be used to fund operating expenditure.	
Net gain/(loss) on disposal of fixed assets	(1,127)
The Council does not budget for gains or losses on the disposal of assets.	
Other changes	548
Certain depreciation charges are not funded through rates as they are either fully or partly funded by external parties.	
Ringfenced surpluses/(deficits)	1,872
Surpluses and deficits from our housing and waste activities are ringfenced. Deficits are not rates funded.	
Underlying funding surplus/(deficit)	(13,295)
Further breakdown follows.	
Actual net surplus	28,187

Underlying funding surplus/(deficit)

Underlying net surplus/deficit is the portion of the overall net surplus/(deficit) that has arisen from changes to operating income and operational expenditure as compared to budget. The underlying funding surplus/(deficit) is an important measure of the overall financial performance of the Council during the year.

The Council has recorded an underlying funding deficit in the current year of \$13.3 million. This has arisen because the Council recorded expenditure relating to a reassessment of the provision for weathertight homes which has been partially offset by net savings in operational expenditure.

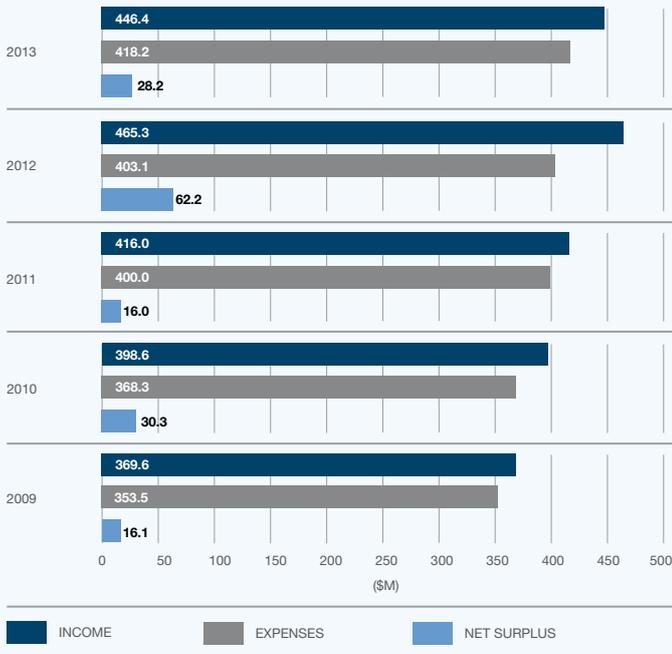
	\$000
Unbudgeted net revenue/(expenditure)	
Restatement of weathertight homes provision	(14,965)
Provision for storm costs	(855)
Insurance costs (net of recoveries) funded through self-insurance reserve	(451)
Significant changes in net revenue/(expenditure)	
Dividends in excess of budget (including Wellington International Airport Ltd)	1,624
Decrease in income from activities	(3,276)
Decrease in depreciation	2,820
Decrease in rates revenue	(2,228)
Decrease in net interest expense	1,997
Other net variances	2,039
Total underlying funding deficit	(13,295)

The movement in the weathertight homes provision is separately funded through a combination of rates and borrowings, so is added back to calculate the underlying surplus available for use. The Council has already agreed to use \$3 million of the 2012/13 surplus to fund the Wellington Economic Initiatives Development Fund and therefore has an underlying funding surplus to carry forward of \$10.5 million.

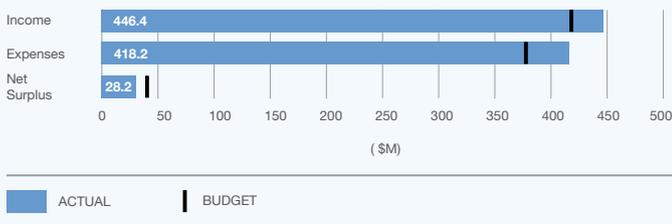
	\$000
Opening underlying funding surplus from previous years	1,940
<i>Items separately rates-funded in prior year</i>	
Movement in weathertight homes provision	9,903
Underlying surplus carried forward from previous years	11,843
<i>Items separately rates-funded</i>	
Movement in underlying funding deficit from this year's result	(13,295)
Movement in weathertight homes provision	14,965
Adjusted available underlying surplus	13,513
<i>Transfer to reserves</i>	(3,000)
Funding Wellington Economic Initiatives Development Fund	
Remaining underlying funding surplus to carry forward	10,513

² Annual Report 2012/13, Notes to the financial statements, Note 33: Major Budget Variations, page 165

Five year trend \$M



2013 results compared with Annual Plan \$M

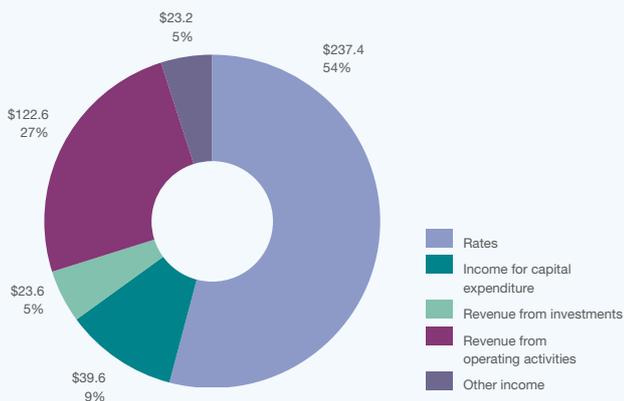


Financial performance

Income³

The Council received total income of \$446.4 million during the year.

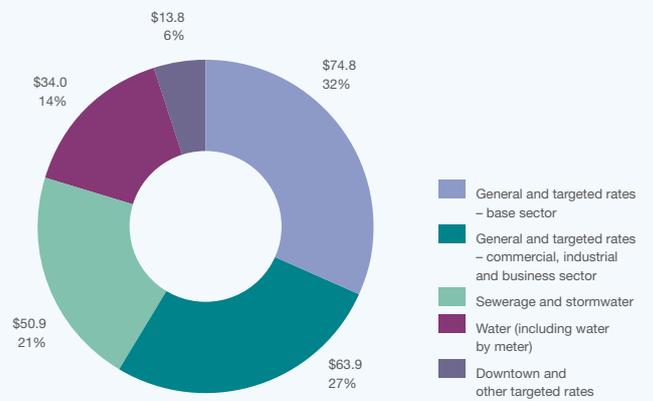
Sources of income \$M



Rates are the main source of funding for the Council, with revenue from operating activities, which includes user fees, being the next largest source. Other sources of income for the Council include income for capital expenditure, income from interest and dividends.

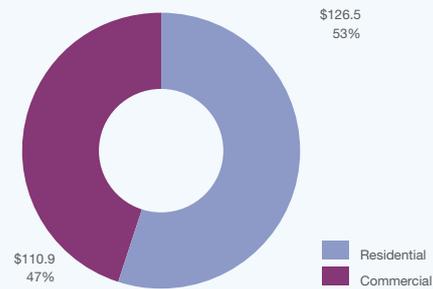
We received \$237.4 million of income from rates⁴. Rates income comes from a number of sources, including general rates levied on properties and a range of targeted rates including stormwater and sewerage rates.

Sources of rates income \$M

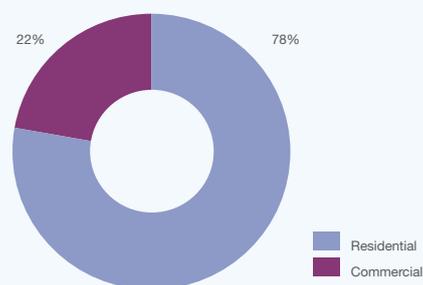


General rates revenue is collected based on property rateable values. Currently commercial properties pay rates at a higher level on their rateable value than non-commercial properties. This is called the rates differential. The rates differential during the year is shown in the graph below. Currently the ratio is 1:2.8.

Rates collected from commercial and residential ratepayers \$M



Proportion of commercial and residential rateable values %



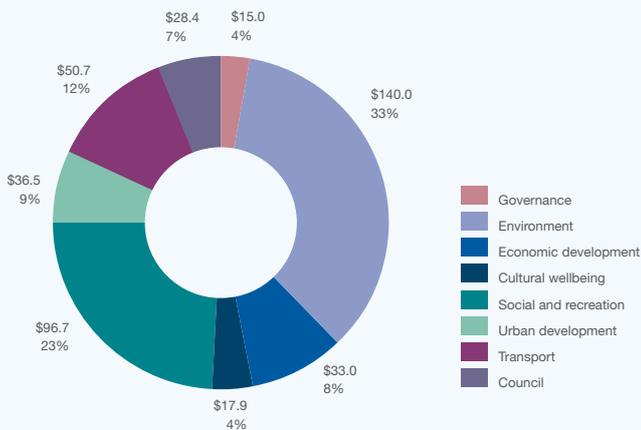
³ Annual Report 2012/13, Statement of Comprehensive Financial Performance, page 102

⁴ Annual Report 2012/13, Notes to the financial statements, Note 1: Revenue from rates, page 121

Expenses⁵

The total expenses incurred by the Council during the year were \$418.2 million which represents the cost of running the city during the year. The activities of the Council are divided into seven strategic areas of focus:

Operational expenditure by strategic area \$M



Governance includes community engagement, Council elections and meetings.

Environment includes maintaining and protecting parks, botanic gardens, coastlines and open spaces. Also includes water supply, stormwater and sewerage, landfills and Kiwi Point Quarry.

Economic development includes supporting and attracting major events and promoting Wellington overseas and locally.

Cultural wellbeing includes support of the Wellington Museums Trust and events in the city, Wellington City Archives and Toi Pōneke.

Social and recreation includes the libraries network, swimming pools, recreation centres, cemeteries, social housing, marinas, sportsfields, playgrounds and skate parks.

Urban development includes assessing building consent and resource consent applications, providing funding for heritage buildings and to develop streets and other public areas.

Transport includes maintaining and developing the city's transport networks and providing on-street parking spaces.

Cost per strategic area per resident per day

STRATEGIC AREA	TOTAL COST \$M	COST PER RESIDENT PER YEAR \$	COST PER RESIDENT PER DAY \$
Governance	15.0	75	0.21
Environment	140.0	700	1.92
Economic Development	33.0	165	0.45
Cultural Wellbeing	17.9	89	0.24
Social and Recreation	96.7	483	1.32
Urban Development	36.5	182	0.50
Transport	50.7	253	0.69
Council	28.4	142	0.39
	418.2	\$2,089	\$5.72

Deciding who pays

When we're deciding how to fund an activity (whether to use rates, user charges, or other sources of income), we consider:

- **community outcomes** that the activity contributes to
- **who benefits** – individuals, identifiable parts of the community, or the community as a whole
- **the timeframe** in which the benefit occurs – for example, an asset that lasts for several generations will generally be funded through borrowing and depreciation so that everyone who benefits, present and future, contributes.

Our Revenue and Financing Policy sets out how each Council activity will be funded, based on these criteria. The policy is available on our website Wellington.govt.nz

Financial position

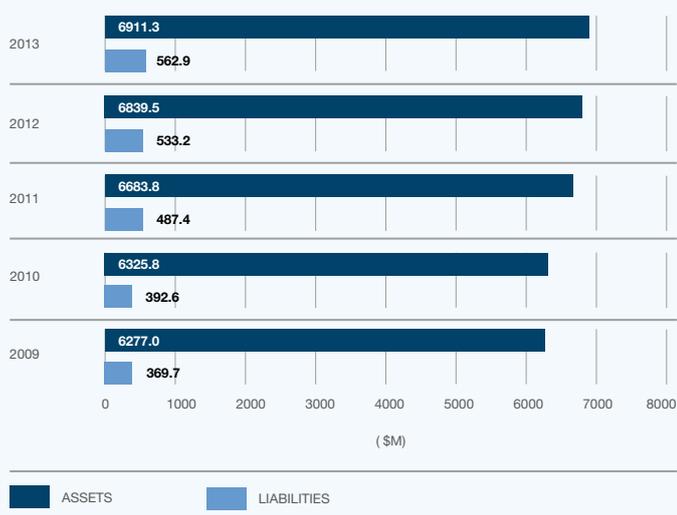
The Summary Statement of Financial Position shows what we own (our assets), what we owe (our liabilities) and our net worth (represented by equity).

Summary statement of financial position

	COUNCIL			GROUP	
	ACTUAL 2013 \$M	BUDGET 2013 \$M	ACTUAL 2012 \$M	ACTUAL 2013 \$M	ACTUAL 2012 \$M
Current assets	110.5	64.7	80.5	120.3	87.8
Non-current assets	6,800.8	6,776.9	6,759.0	6,961.0	6,918.5
TOTAL ASSETS	6,911.3	6,841.6	6,839.5	7,081.3	7,006.3
Current liabilities	265.5	180.3	233.9	271.7	239.5
Non-current liabilities	297.4	331.9	299.2	298.9	300.6
TOTAL LIABILITIES	562.9	512.2	533.1	570.6	540.1
TOTAL EQUITY / NET ASSETS	6,348.4	6,329.4	6,306.4	6,510.7	6,466.2

⁵ Annual Report 2012/13, Statement of Comprehensive Financial Performance, page 102

Assets and liabilities – five year trend \$M



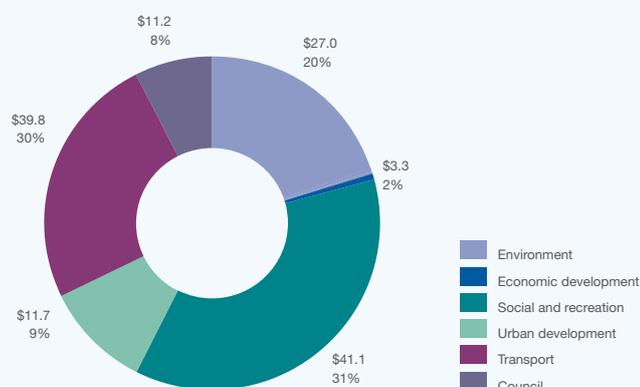
Assets

The major assets of the Council include:

- Property, plant and equipment (including land, buildings and infrastructure assets) – \$6,546.3 million
- Other assets (including investment properties and investments in subsidiaries and associates) – \$365.0 million

During the year, \$134.1 million was spent on constructing and developing assets around Wellington which contributed to the balance of Property, plant and equipment. The chart below shows how much was spent on each strategic area during the year for constructing and developing assets:

Capital expenditure by strategy \$M



To help spread the cost of assets to everyone who benefits the Council budgets to recover a certain amount of the value of the asset each year. This amount is called depreciation⁶. Depreciation spreads the cost of an asset over its useful life.

Liabilities

The major assets of the Council include:

The major liabilities of Council include:

- gross borrowings – \$388.3 million
- other liabilities (including trade and other payables) – \$174.6million.

The Council uses borrowings to fund the purchase or construction of new assets or upgrades to existing assets that are approved through the Annual Plan and Long-term Plan process.

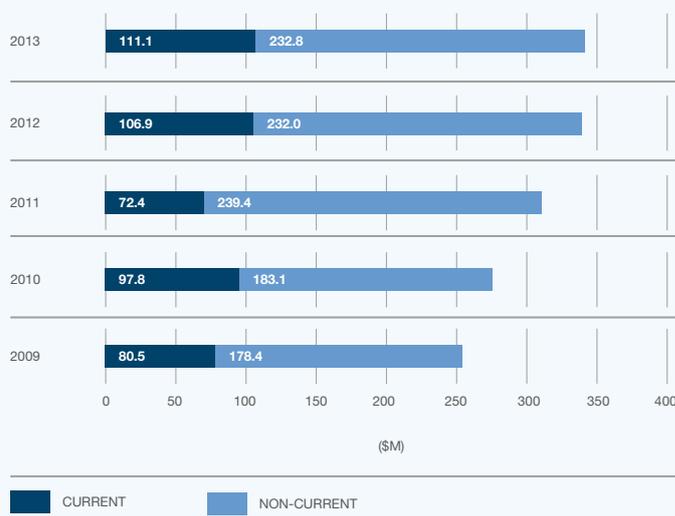
Net borrowings

Net borrowings are the total borrowings less any cash and cash equivalents.

Net borrowings = gross borrowings – cash and cash equivalents

The gross borrowings of \$388.3 million⁸, less the balance of cash and cash equivalents of \$44.4 million, results in a net borrowings balance of \$343.9 million at the end of the year.

Net borrowings – five year trend \$M



Net borrowings increased by \$5.0 million during the year. The net borrowings at the end of the year is \$10.1 million less than budgeted in the 2012/13 Long-term Plan. The reason for the difference is due to changes in the timing of capital projects and savings in capital expenditure.

Investment position

The Council continues to maintain a strong investment position when compared with the level of borrowings. The graph below compares the balance of investments and net borrowings over the last five years.

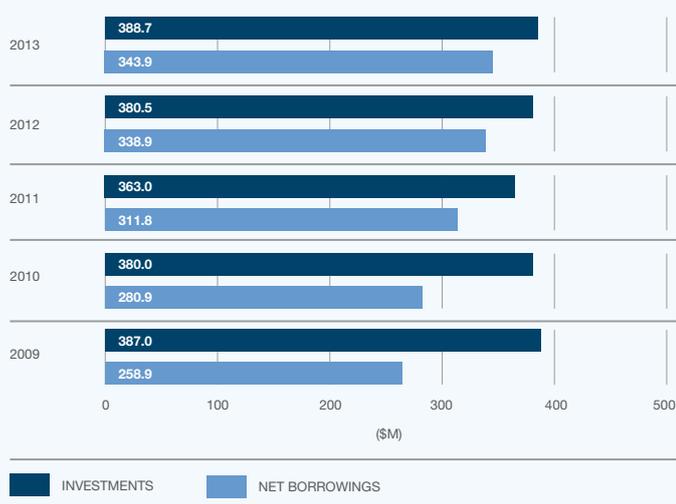
⁶ Annual Report 2012/13, Statement of Comprehensive Financial Performance, page 102

⁷ Annual Report 2012/13, Notes to the financial statements, Note 21 Borrowings , page 142

⁸ Annual Report 2012/13, Notes to the financial statements, Note 10 Cash and Cash Equivalents, page 128

⁹ Annual Report 2012/13, Notes to the financial statements, Note 21 Borrowings, page 142

Investments and borrowings – five year trend \$M



The balance of investments primarily comes from investment properties, our share of the net assets of our associates (including Wellington International Airport Limited) and other financial assets.

Borrowings Compliance

During the year the Council maintained its AA credit rating with Standard and Pooors. The credit rating is a comparative measure of the financial strength of the Council. The AA credit rating held by the Council is the highest credit rating attributed to councils across New Zealand. Holding and maintaining such a high credit rating provides a range of benefits to the Council that would not otherwise be available. These benefits include access to lower cost borrowings and access to a wider range of borrowing alternatives.

The Council has met all of the core policy compliance requirements set out in the Council's Investment and Liability Management Policy.

The prudential limits are set out in the table below:

PRUDENTIAL LIMITS	POLICY LIMIT	ACTUAL	COMPLIANCE
Borrowings as a % of equity	<10%	5.5%	Yes
Borrowings as a % of income	<150%	78.7%	Yes
Net interest as a % of annual rates income	<15%	8.4%	Yes

Notes:

- Equity is based on the 30 June 2013 Annual Report
- Net interest, net borrowings, annual rates and income are based on 30 June 2013 figures

Summary statement of cash flows

Net cash flows from operating activities
 Net cash flows from investing activities
 Net cash flows from financing activities

Net increase/(decrease) in cash and cash equivalents

	COUNCIL			GROUP	
	ACTUAL 2013 \$M	BUDGET 2013 \$M	ACTUAL 2012 \$M	ACTUAL 2013 \$M	ACTUAL 2012 \$M
Net cash flows from operating activities	127.0	136.7	127.6	128.2	129.1
Net cash flows from investing activities	(111.3)	(146.8)	(133.7)	(110.7)	(135.0)
Net cash flows from financing activities	6.1	10.1	9.1	6.1	9.0
Net increase/(decrease) in cash and cash equivalents	21.8	-	3.0	23.6	3.1

The policy limit for net borrowings as a percentage of income for the Council of 150% is significantly less than the Local Government Funding Agency policy limit of 250%. The Council is comfortably in compliance with the prudential limits set out in the Investment and Liability Management Policy.

The Council uses hedging to reduce the impact of changes in interest rates. By hedging the floating rates they effectively become fixed rates. The Investment and Liability Management Policy sets out both upper and lower hedging limits. At the end of the year some 76% of the interest on borrowings was effectively fixed due to hedging¹⁰.

INTEREST RATE RISK CONTROL LIMITS (INTEREST RATE EXPOSURE)	POLICY LIMIT	ACTUAL	COMPLIANCE
Fixed interest proportion	50 – 95%	84%	Yes
<i>Broken down as follows:</i>			
1 – 3 year bucket	20 – 60%	24%	Yes
3 – 5 year bucket	20 – 60%	23%	Yes
5 – 10 year bucket	20 – 60%	53%	Yes

Liquidity is a measure of the Council's ability to access cash when required. The Council manages its liquidity risk by ensuring we have unused facilities available to fund future spending and by ensuring the maturity of our borrowings is well spread. The limits for liquidity are set out in the Investment and Liability Management Policy. There are some \$151.5 million of unused facilities available at 30 June to cover future spending requirements and ensure that the Council has adequate access to funds at all times¹¹.

LIQUIDITY/FUNDING RISK (ACCESS TO FUNDS)	POLICY LIMIT	ACTUAL	COMPLIANCE
Liquidity/funding risk (access to funds)	>110%	114%	Yes
<i>Broken down as follows:</i>			
1 – 3 year bucket	20 – 60%	60%	Yes
3 – 5 year bucket	20 – 60%	21%	Yes
5 – 10 year bucket	15 – 60%	19%	Yes

Notes:

- "Liquidity" is defined as current borrowings + committed loan facilities divided by 12-month peak borrowings (for the purposes of measuring liquidity short-dated Commercial paper is excluded)

Cash flows

The summary cash flow statement shows how we generated and used cash during the year.

Our operating activities generate cash inflows and the primary source is from rates and user charges. Most of the net cash inflows from these operating activities together with new borrowings (financing activities), are used to purchase and develop assets around the city (investing activities).

¹⁰ Annual Report 2012/13, Notes to the financial statements, Note 31 Financial instruments, page 156

¹¹ Annual Report 2012/13, Notes to the financial statements, Note 21 Borrowings, page 142

Equity

The Council's net worth is represented by equity. The summary statement of changes in equity shows what the community owns (assets of \$6,911.3 million) minus what the community owes (liabilities of \$562.9 million).

The net worth of the Council at the end of the year was \$6,348.4 million, an increase of \$42.1 million from the previous year. The main reasons for the increase were the net surplus generated for the year and the fair value movement in our cash flow hedges.

Summary statement of changes in equity

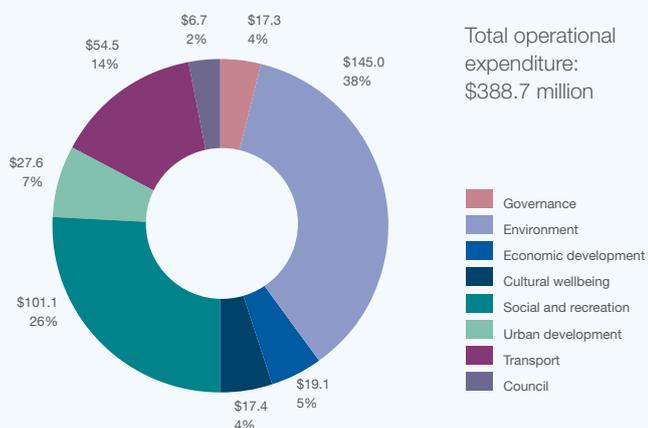
	COUNCIL			GROUP	
	ACTUAL 2013 \$M	BUDGET 2013 \$M	ACTUAL 2012 \$M	ACTUAL 2013 \$M	ACTUAL 2012 \$M
Equity at the beginning of the year	6,306.3	6,292.4	6,196.4	6,466.2	6,346.8
Net surplus for the year	28.2	37.4	62.2	30.4	50.0
Other comprehensive income	13.9	(0.4)	47.8	14.1	69.4
Total comprehensive income for the year	42.1	37.0	110.0	44.5	119.4
Equity – closing balances					
Accumulated funds and retained earnings	4,923.0	4,907.7	4,897.6	4,970.8	4,943.3
Revaluation reserves	1,417.3	1,414.6	1,417.7	1,529.1	1,529.5
Hedging reserve	(10.0)	(9.2)	(23.9)	(10.0)	(24.1)
Fair value through other comprehensive income reserve	0.1	0.3	0.2	0.1	0.2
Restricted funds	18.0	16.0	14.7	20.7	17.3
TOTAL EQUITY – CLOSING BALANCE	6,348.4	6,329.4	6,306.3	6,510.7	6,466.2

Looking forward

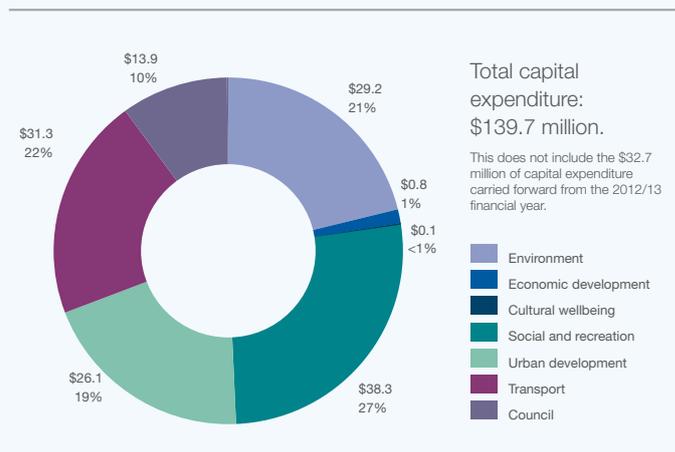
The results for the year ended 30 June 2013 reflect the delivery of high quality, cost-effective services and products to the residents of Wellington.

The 2013/14 Annual Plan sets out the Council's planned operating expenditure programmes for the 2013/14 year. The following graphs highlight the Council's spending plans for the 2013/14 financial year.

Operational expenditure 2013/14 \$M



Capital expenditure 2013/14 \$M



Group highlights

The Group comprises the Council and its interests in associate and subsidiary entities. These entities include Wellington International Airport Limited and Capacity. Refer to Note 38 of the financial statements for the full Group structure diagram.

	2013 \$M	2012 \$M	2011 \$M	2010 \$M	2009 \$M
Net surplus	30.4	50.0	8.2	23.5	16.0
Total assets	7,081.3	7006.3	6841.9	6485.6	6443.0
Total liabilities	(570.6)	(540.1)	(495.1)	(397.6)	(375.4)
Total equity	6,510.7	6466.2	6346.8	6088.0	6067.6

¹² Annual Report 2012/13, Notes to the financial statements, Note 26 Hedging reserve, page 153

¹³ Annual Report 2012/13, Notes to the financial statements, Note 34 Analysis of capital expenditure by strategy, page 167

Glossary

Annual Plan

The Annual Plan is a budget prepared by the Council showing the expected cost of running the city for the year of the plan and how the costs will be funded. An Annual Plan is not prepared in years when a Long-term Plan is prepared (see Long-term Plan).

Associates

Are entities that the Council owns a share of but does not control. Our share of the associates' surplus/deficit and net assets is recorded in the Group financial statements. The Council's associates are Basin Reserve Trust (50%), Capacity (63%), Chaffers Marina Holding Limited (12%), Wellington International Airport Limited (34%) and Wellington Regional Stadium Trust (50%).

Capital expenditure

Expenditure on assets that provide a long term ongoing benefit to the Council, usually fixed assets (Property, plant and equipment), for example buildings.

Cash and cash equivalents

Includes cash as well as deposits which mature in less than three months.

Current asset

An asset that can readily be converted to cash or will be used to repay a liability within 12 months of balance date.

Current liability

Liability that is required to be discharged within 12 months of balance date.

Depreciation (amortisation)

An expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).

External funding for capital expenditure

Funding recorded as income but is used to fund capital expenditure projects.

Fair value

Essentially reflects the market value of assets or liabilities.

Investment properties

These are properties that are primarily held by the Council to earn rental income.

Liquidity/funding risk

This is the risk that the Council will not have access to the required funds to meet its present obligations.

Long-term Plan

A 10 year forecast prepared every three years showing the expected cost of running the city for the following ten years and how the costs will be funded.

Net borrowings

Net borrowings is total borrowings less any cash or cash equivalents.

Net surplus/(deficit)

Net surplus/deficit is the difference between total income and total expenses. It includes both operating revenue and operating expenditure as well as other non-funded items of revenue and expenditure such as capital funding, vested asset income and fair value movements.

Operational expenditure

Expenditure that is not capital expenditure (see Capital expenditure).

Prudential limits

These are limits applied to the level of borrowings to ensure we are managing the Council's assets and liabilities prudently. These limits are outlined in the Investment and Liability Management Policy in the Long-term Plan.

Ring-fenced

Funds that can only be used for a specific purpose.

Total comprehensive income

Is the net surplus/(deficit) adjusted for fair value movements of some of our assets, including plant and equipment and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect changing fair value of assets the Council owns.

Underlying funding surplus/(deficit)

The portion of the overall net surplus/(deficit) that has arisen from changes to operating income operational expenditure as compared to budget.

Vested assets

Assets that are created by others and passed into Council ownership (eg roads built by a developer as part of a subdivision).

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

TO THE READERS OF WELLINGTON CITY COUNCIL AND GROUP'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013.

We have audited the summary of the annual report (the summary) as set out on pages 2 to 21, which was derived from the audited statements in the annual report of the Wellington City Council (the City Council) and group for the year ended 30 June 2013 on which we expressed an unmodified audit opinion in our report dated 28 August 2013.

The summary comprises:

- the summary statement of financial position as at 30 June 2013, and summaries of the statement of comprehensive financial performance, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the City Council and group's non financial performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS 43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 28 August 2013 on the audited statements.

The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the City Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS 43: Summary Financial Statements. The Council is also responsible for the publication of the summary, whether in printed or electronic form. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

In addition to the audit we have carried out a review of the Clifton Terrace car park managed by the City Council on behalf of the New Zealand Transport Agency. This assignment is compatible with the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than the audit and this assignment, we have no relationship with or interests in the City Council or any of its subsidiaries.



A P Burns,
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand
20 September 2013

This summary report, extracted from our 2012/13 Annual Report, does not provide as complete an understanding of the Council's activities as the full document. Copies of the Annual Report 2012/13 are available at the Council Offices, 101 Wakefield St, Wellington or at www.Wellington.govt.nz. The Annual report, adopted on 28 August 2013, contains detailed information about our finances and service performance. Audit NZ has audited the full Annual Report and issued an unqualified opinion. This summary has been prepared in accordance with FRS-43 and examined by Audit NZ for consistency with the full Annual Report.

Wellington City Council is a public benefit entity for financial reporting purposes. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with New Zealand equivalents to IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements include a Statement of Compliance to this effect. The financial statements are denominated in New Zealand Dollars.

