
Wellington City Council 2014/15 Annual Report



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Mayor's welcome



Together we make Wellington a great place to live, work, study and play!

Wake up to turn on your tap for fresh clean water, walk safely with your children to school, drive to work, enjoy public art on the waterfront during a lunch-time run, and meet a friend for a show at The Opera House. The Council works with dozens of organisations to support you every step of the way.

Our city works hard for businesses, ratepayers and residents.

Working in partnership with central government, we completed the Cenotaph, Pukeahu Memorial Park and the Great War exhibition and Johnsonville roading is well on the way.

In education consents were granted for the new Whitireia/Weltec education centre in Cuba Street, Victoria University campus buildings were completed, and there was international and local engagement on Wellington as a resilient city.

Community volunteers are essential to the city and over a hundred groups actively work toward our target of planting two million trees. Our Street Outreach programme combines with the Night Shelter, Soup Kitchen and DCM, among others.

Wellington hosted and managed significant international events during the year and boosted confidence in local enterprise and employment in the region. Commercial guest nights for Wellington grew by 6.4% and were the highest for 12 months on record. International guest nights grew by 12% and people are staying longer. Major sporting events included the ICC Cricket World Cup, which injected an extra \$40 million into the city's GDP, and the FIFA Under 20 World Cup.

Council has an important enabling role to help keep Wellington great. As a city and a place to live and work, our social and environmental score is very high - but less well economically. It's important we grow the economy, jobs, and our ratepayer base in a positive cycle of city investment. Maintaining financially healthy businesses in the suburbs is also important and our programme of establishing Business Improvement Districts extended to Miramar and Khandallah. Support for the Wellington Economic Initiative Development fund was also increased during the year.

I join with our Chief Executive Kevin Lavery, in welcoming WREDA, our Wellington Regional Economic Development Agency, which will play a major role in attracting new business to Wellington and raising our profile around the world.

Highlights for me during the year included the Bond Street activation programme, Victoria Street renaissance, completion of the Berkley Dallard, Etona and Marshall Court Social Housing projects and the Leonie Gill pathway opening.

Strengthening our buildings, reservoirs and tunnels, and Wellington joining the 100 Resilient Cities project, are commitments to a resilient future. Matariki, CubaDupa, the Jazz Festival, LUX, Korean Festival, the Chinese New Year and Diwali, all contribute to the buzz of our multicultural city. Our diversity makes us stronger as a community.

We have had a successful year. My thanks go to Council staff, volunteers, and the residents of our city, who have worked to make Wellington a great place to live. We also kept within the financial disciplines we set democratically. One of the final and important decisions taken in the 2014/2015 year was approval of the 10-year Long-term Plan 2015/25 with its ambitious yet achievable targets.

A handwritten signature in black ink, appearing to read 'Celia Wade-Brown', with a stylized flourish at the end.

CELIA WADE-BROWN
Mayor of Wellington

Chief Executive's welcome



The last year has been one of outstanding success. I'm delighted and proud, to reflect on the Council's performance and achievements over the last 12 months.

We have improved our reputation and standing with the community and we've made significant advances with our economic growth agenda.

It was a year of action.

While the Annual Report is essentially looking back on our performance, one of the most important achievements for the year was one where we looked ahead. I'm referring to the Long-term Plan (LTP) which Councillors adopted in June. The LTP sets the Council's strategic direction and this particular plan will transform Wellington from a good to great city over the next 10 years. This was a significant achievement because it means we will maintain or improve core services while also investing \$800 million in exciting new projects to support the economy. And Wellington ratepayers are not being asked to contribute too much towards the new projects that will undoubtedly make the city a better place to live and work. Rates are expected to increase an average 3.9% annually over the next 10 years. If we had chosen not to invest in new projects to support the economy, and adopted a business as usual approach, rates would still rise 3.1% annually over 10 years.

Doing the basics - and putting the customer first - is our number one priority. So it's pleasing to see we have improved our customer satisfaction ratings in key areas. Here is a snapshot of our performance:

- 100% of resource consents were issued within statutory timeframes (20 working days)
- 95% of housing tenants rate the overall condition of their house or apartment as good or very good, up from 89% in 2013/14
- 86% of residents agree the central city is lively and attractive, up from 80%
- 84% of Contact Centre calls were answered within 30 seconds
- 74% of residents were satisfied with their involvement in Council decision-making, up from 70%
- 69% of residents agree that our recreation services and facilities are good value for money, up from 59%
- 66% of residents agree the city is developing in a way that takes into account its unique urban character and natural environment, up from 56%.

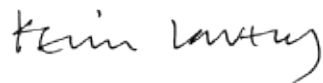
In the past 10 years, the Council's priority investment areas have been infrastructure and recreational and community services, such as sports fields, swimming pools, libraries and tourism promotion and events. This level of investment is reflected in the positive results above.

In the last 12 months there has been a new focus - the economy. We have made significant progress on some big transformational projects. We advanced the runway extension project at Wellington Airport and we are continuing to work towards delivering a convention centre for Wellington and a Technology Hub in the central city.

An important economic development achievement was the creation of a single economic growth agency (WREDA) for the region, which the Council did in partnership with Greater Wellington Regional Council and the seven other territorial authorities.

The Council's financial position is strong. We spent \$434.3 million on the delivery of essential services in the last year at a cost of just \$5.95 per resident per day. That is impressive by anyone's measure. I've always said we have to do the basics really well before we can do the clever stuff. In other words, we have to earn the right to invest in exciting new projects. And that's what we've done and will continue to do.

We're investing to grow because we want to transform Wellington into one of the world's great cities. We've still got work to do but as you will see from the results in this Annual Report, we've made a great start.

A handwritten signature in black ink that reads "Kevin Lavery". The signature is written in a cursive, slightly slanted style.

KEVIN LAVERY
Chief Executive

The place of the possible



A sense of place and identity



Our role and direction

WHO WE ARE

Under the Local Government Act 2002, our purpose is to:

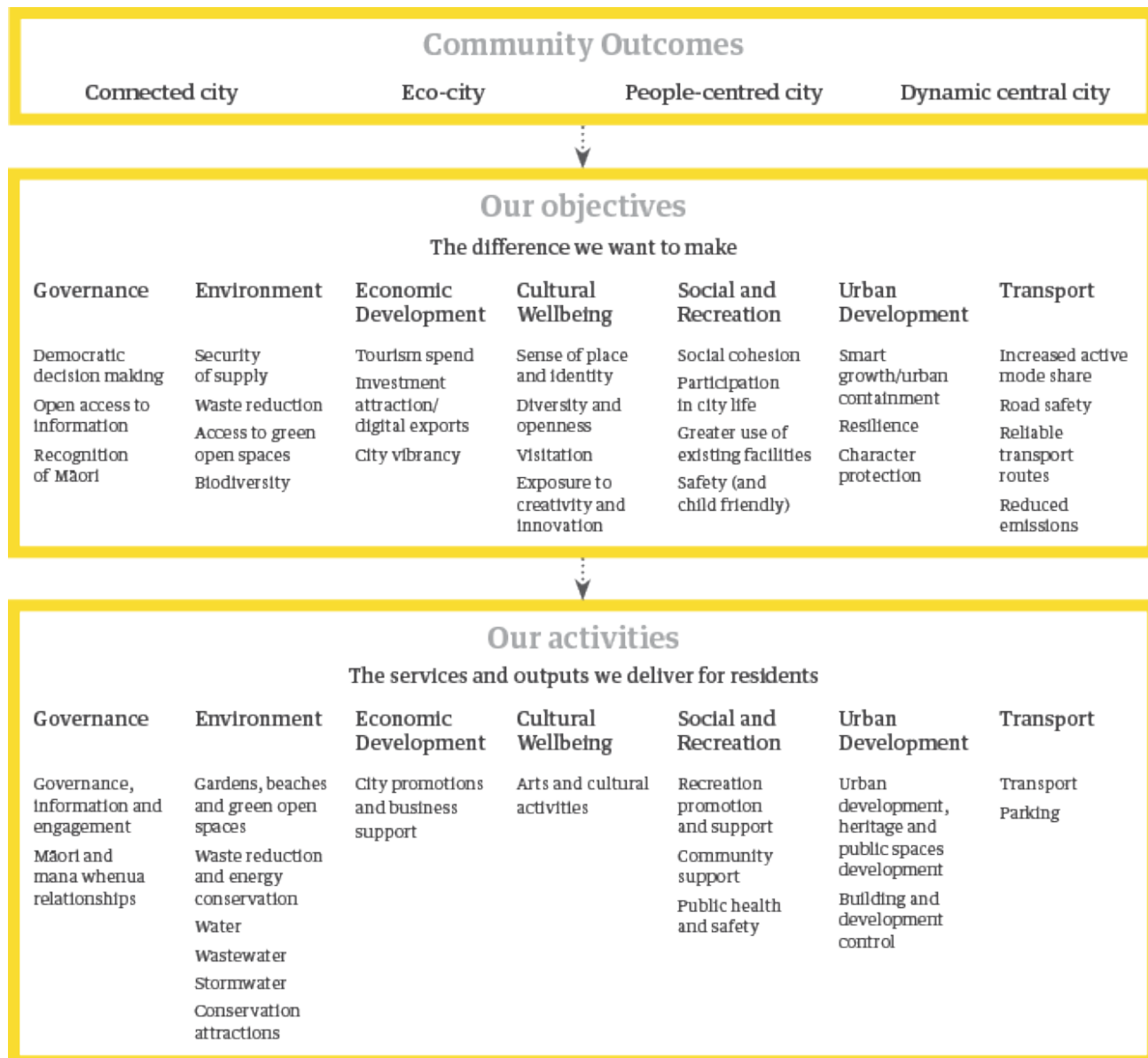
- enable democratic local decision-making and action by, and on behalf of, Wellingtonians
- meet the current and future needs of Wellington residents for good quality local infrastructure and local public services
- perform regulatory functions in the most cost-effective way for households and businesses.

The Wellington City Council is made up of 15 elected representatives - the mayor and 14 councillors.

It's their job to make bylaws, set the city's overall strategic direction, and approve budgets, policies and plans aimed at achieving that direction. Part of their role is to listen and take the pulse of the community before making decisions. The mayor and councillors are supported in their role by two Community Boards.

The elected representatives are supported by the Council's chief executive and Council officers, whom provide advice, implement Council decisions, and look after the city's day-to-day operations.

OUR AIMS



Our vision for the city - Towards Wellington 2040: Smart Capital - contains four community outcomes, which guide our decisions about our services and what we plan to do. These outcomes are to be:

- people-centred
- connected
- an eco-city
- a dynamic central city.

Our outcomes and objectives are structured around activity areas against which we measure our performance. They are:

Governance - delivering trust and confidence in decision-making.
Environment - protecting and enhancing Wellington's environment.
Economic Development - promoting the city's competitive advantages in order to enhance quality of life.
Cultural Wellbeing - reflecting and shaping Wellington's unique cultural identity.
Social and Recreation - sustaining safe, resilient and healthy communities.
Urban Development - preserving Wellington as a compact, vibrant and attractive city, now and into the future.
Transport - delivering an efficient and safe transport system that connects people and places.

In June 2014, the Council adopted an Annual Plan for the period 1 July 2014 to 30 June 2015, which outlined the services we planned to deliver during that period. In the 2014/15 Annual Plan Council committed to:

- maintaining and improving existing services
- investing for growth
- delivering value for money to ratepayers.

The Council's 2015/25 Long-term Plan (LTP), which was adopted in June 2015, confirmed our commitment to delivering on these priorities.

This Annual Report explains how we've delivered on the 2014/15 Annual Plan and how we are positioned to deliver on the priorities set out in the LTP 2015/25.

Investing for growth





NAVLOVE

NAVLOVE

CHAMPION

WWW

HUMANITY

Wellington International Convention Centre

30

TOYOTA

Wellington International Convention Centre



***Optimising use of community
services and facilities***

Maintaining and improving existing services

In the past 10 years, the Council has invested in city infrastructure and services for the benefit of the community. While the key investment priority has been infrastructure, we have also made big increases in spending on community sport and recreation facilities, tourism promotion and events.

We are committed to maintaining the high levels of service already delivered to Wellington's residents, along with improving services in some key areas. Our overall work is focused on:

- maintaining resilient infrastructure and providing core services
- optimising use of community services and facilities.

MAINTAINING RESILIENT INFRASTRUCTURE AND PROVIDING CORE SERVICES

Our work to deliver core infrastructure and services is concentrated in three areas:

- enabling democratic local decision-making
- maintaining strong, resilient infrastructure
- providing core services and functions.

ENABLING DEMOCRATIC LOCAL DECISION-MAKING

We aim to build trust and confidence in our decisions and delivery. Our activities include managing local elections, informing residents about the issues we face and making decisions in the best interests of the city. We also have an obligation to ensure that the special position of mana whenua is acknowledged and reflected in the way we make decisions about the city and its resources.

In August 2014, we began live-streaming all Council meetings on our Youtube channel, as part of our work to improve the transparency of, and access to, our decision-making. We have had a steady increase in viewer numbers, particularly for matters with high public interest. We also put infrastructure in place to enable remote participation in Council meetings in the future.

We ensure that Wellington residents are able to access Council information and services through our 24/7 contact centre. We also keep a record of our work, which people can access through the City Archives.

We regularly engage with our iwi partners on strategy and policy matters, particularly for the purposes of the Resource Management Act 1991. We also collaborate with many organisations to organise Matariki celebrations and to support community events.

MAINTAINING STRONG RESILIENT INFRASTRUCTURE

An important focus for the Council is making our core infrastructure - our transport infrastructure and the water, wastewater and stormwater networks - more resilient and better able to cope with environmental shocks, such as earthquakes and the impacts of climate change.

Wellington accepted into the 100 resilient cities network

A thousand cities across six continents applied to be among the first 100 cities selected to receive technical support and resources over 3 years. As a selected city, Wellington receives:

- funding to hire a Chief Resilience Officer
- assistance in developing a resilience strategy
- access to a platform of innovative private and public sector tools to help design and implement that strategy
- membership of the 100 Resilient Cities Network.

Wellington's Chief Resilience Officer will be appointed by October 2015. Their job will be to engage diverse stakeholders, identify Wellington's resilience challenges, opportunities and priorities, and develop and begin to implement a City Resilience Strategy over the following 2 years.

Improving water network resilience

We have an ongoing work programme to improve the resilience of our water network and its ability to withstand earthquakes. This includes checking the seismic strength of water reservoirs, pump stations, telemetry systems and critical pipeline fittings. This year, we finished seismic strengthening on three reservoirs and we are continuing renewals and strengthening on a further three. We also installed 12 emergency water tanks, two auto-shut valves and continued upgrading the network to meet new firefighting standards. This resilience work is intended to enable the network to retain 80% of its water after a significant earthquake.

Earthquake resilient buildings

We aim to improve the earthquake resilience of the city's buildings, while also supporting the preservation of important heritage buildings for future generations. This year we continued strengthening the Council's heritage buildings, such as the Clarrie Gibbons building in Post Office Square and the Thistle Hall. We removed the portico between the Central Library and the Civic Administration Building and the Council agreed to a plan to strengthen the Town Hall and revitalise the Civic Precinct. We also extended the existing rates remission scheme, so that earthquake prone heritage buildings with a Heritage NZ listing are eligible for a longer rates remission of up to 10 years.

Improving our transport network

We have made significant progress in our work to strengthen our roading network. This includes strengthening tunnels and bridges throughout the city and building new retaining walls on key transport routes. This year we completed strengthening the Hataitai Bus Tunnel and continued remedial work on the Aotea Quay Bridge, which will be completed in October 2015. We also completed storm repairs to sea walls at several sites around the city.

As well as upgrading the resilience of the transport network, we are also undertaking major projects designed to improve traffic flows and pedestrian connections, and to prepare for future urban development and growth. This year we completed an upgrade of Victoria St that will act as a catalyst for future growth in the Central City. Our Johnsonville roading upgrade, which will be completed in the second half of 2015, will ensure that the network is prepared for current and future developments around the Johnsonville Mall.

PROVIDING CORE SERVICES AND FUNCTIONS

The Council provides a range of core regulatory services and functions for residents and ratepayers, including:

- public health and safety
- building and development control
- waste collection and reduction.

Public health and safety

We are obligated to maintain public health standards by regulating food and liquor outlets, animals, trade waste and managing environmental noise problems. We provide vital public health services, such as public toilets, cemeteries and crematoria. Our public safety role also includes helping to prepare our communities for civic emergencies such as earthquakes, tsunamis and flooding, through the Wellington Region Emergency Management Office.

Our public health regulation work is supported by a focus on education programmes. This year, as a result of our education work, we had a significant reduction in closures

of food businesses. We also transferred responsibility for trade waste to Wellington Water, which will enable region-wide waste management.

Our public safety work is focussed on maintaining Wellington's reputation for being a safe and vibrant city. Our work includes partnering with Police and community organisations for community patrols, a local hosts programme, volunteer programmes and graffiti management. We have established a city-wide approach to graffiti management, which has resulted in an improvement in graffiti levels across the city. We also partnered with the CBD residents and retailers association to implement an "Eyes On" communications network for retailers.

Building and development control

As well as planning for future urban growth, we also control building and development work in accordance with the provisions of the Building Act 1991, the Resource Management Act 1991 and our District Plan. We are also required to administer an Earthquake-prone building policy to mitigate earthquake risk in the city's built environment.

This year we again achieved accreditation as a Building Consent Authority with a healthy clear pass on the first visit from the assessors. We made amendments to our Rates Remission Policy in order to increase resilience.

Waste collection and reduction

We maintain the city's landfills and provide waste and recycling collection services. We also have programmes to reduce Wellington's environmental footprint by encouraging residents to recycle, reduce waste and use energy more efficiently.

Each year we generate up to 8 gigawatt hours of energy from gas emissions at the Southern Landfill. Our *Kai to Compost* food-waste collection service caters to medium-to-large organic waste producers and keeps waste out of the landfills by converting it to compost for local gardens.

This year 99% of residents used our kerbside recycling service at least once a month. The amount of waste sent to city landfills has been stable over the past few years, despite steady growth in the city's population.

OPTIMISING USE OF COMMUNITY SERVICES AND FACILITIES

We offer a range of community services and facilities that provide residents with social and recreational opportunities, enable them to participate in their community and enjoy a high quality of life. We provide social housing to help meet the needs of Wellington's most disadvantaged residents. We also provide a range of social and recreational grants to residents and community groups.

During the last few years our investment in community and recreational facilities has increased the quality and

range of services available to residents. At the same time, we have also developed significant excess capacity in many areas. Over the next few years we will be focussing on increasing usage of our community services and facilities to make better use of the capacity we have on offer.

PROVIDING SPORTING AND RECREATIONAL OPPORTUNITIES

We provide a wide range of sporting and recreational facilities to encourage people of all ages to get involved in social and recreational activities. We manage the city's gardens, beaches and green open spaces to provide attractive, safe and accessible places for leisure and recreation. We also provide funding for conservation attractions such as the Zoo and Zealandia, which attract visitors, educate and inform, and help protect our fauna and flora. Our sporting facilities raise the city's profile by hosting national and international events and our conservation facilities attract visitors from within the city and outside the region.

This year we completed a major upgrade of the Keith Spry Pool in Johnsonville. This new complex, along with the future development of the Johnsonville library, will provide recreational opportunities for local residents for many years to come.

We made drainage improvements and other upgrades at several sportsfields around the city. We also continued our programme of playground upgrades to provide better recreation opportunities for children. Usage of the Council sportsfields and facilities is continuing to increase steadily. Our main focus for the next few years will be to make better use of these facilities.

This year we finalised our Biodiversity Strategy and developed an implementation plan to restore Wellington's indigenous biodiversity. We continued funding pest control initiatives and provided more than 80,000 plants as part of our plan to plant two million trees by 2020. We also upgraded tracks in the town belt and reserves, replenished the sand at Oriental Bay Beach and beautified other beaches and coastal areas around the city.

PROVIDING LIBRARIES AND COMMUNITY SPACES

We want Wellington to be a people-centred city where people feel welcome. To achieve this goal, we provide libraries, halls and community centres that act as focal points for community activity and provide opportunities for people to connect with each other. The Council has made substantial investments in the recreational space. These include:

- **library services** - demand for these services remains strong, with 2.3 million visits across Wellington's 12 libraries. New initiatives, such as the Wellington City Libraries App, have also helped improve access to these services

- **community facilities** - Council owns 7 recreation centres and 21 local community halls, of which 18 are community managed. More than 300,000 people visited these facilities
- **programmes** - our libraries and community facilities offer a full range of programmes, opportunities and activities that are accessible and respond to and deliver on the needs and interests of the community.

PROMOTING STRONG COMMUNITIES

We support partnerships and programmes in Wellington's communities in order to build local resilience. We also partner with other organisations to ensure the city's social infrastructure supports our vulnerable residents, along with providing social housing for those in need.

In addition, we had more than 120,000 leisure card uses, indicating that Council is reaching the most marginalised in society and involving them in city life.

We support and fund strategic partners in the social sector, ensuring that specific community activities occur that contribute to the community's wellbeing.

The Council also actively manages and monitors a wide range of community health and safety services such as alcohol free areas, food safety and dog control.

PROVIDING SOCIAL HOUSING

We provide housing for 4,000 people in 2,200 units. This year we completed year 7 of our 20-year upgrade programme, which saw the completion of our eighth major upgrade projects and renewals on smaller complexes. We continue to win architecture awards for our upgrade projects. We also have ongoing programmes to provide positive social contact for our tenants and help them to improve their lifestyles. This year:

- we completed and reoccupied the Berkeley Dallard and Etona Apartments (see case study page 76)
- we completed the Marshall Court upgrade, which won a New Zealand Institute of Architects award.

FUNDING COMMUNITY PROJECTS

We have a range of grants that we use to fund community organisations and projects. We also administer funds from other sources such as bequests. We fund organisations and individuals who demonstrate that they are strategic, sustainable and community-focussed with a significant presence in the targeted community. We fund projects in Wellington that fit fund criteria and are consistent with Council's desired outcomes or priorities. This year we funded:

- 22 projects through the Our Living City Fund to help make the city a better place through various environmental initiatives
- 69 projects through the Arts and Culture Fund to provide support for artists and key arts institutions throughout the city
- 97 projects through our Social and Recreation Fund to support community centres and organisations including residents associations and social infrastructure organisations like Citizens Advice
- seismic strengthening projects through the Built Heritage Fund focussing on heritage areas in Newtown and Cuba Street.

***We fund projects through the arts
and culture fund***





WELLINGTON
SUPERFAST

***Cities like Wellington
compete on the global stage***





***By investing to grow we can
retain our high quality of life***

Investing to grow

WELLINGTON CAN BE A WORLD-CLASS CITY WHERE TALENT WANTS TO LIVE

Cities like Wellington compete on the global stage. We compete with other city regions to attract people, students, jobs, businesses, trade and investment. Without ongoing investment and improvements to the city, we will lose our comparative advantage as an attractive place for skilled migrants and businesses.

Our recently adopted Long-term Plan outlines a strong investment programme that will position Wellington and its communities for a stronger and more prosperous future.

Wellington has the best educated, most creative and tech-savvy people in New Zealand, high quality tertiary institutions, lots of smart businesses, and a great culture.

We also have all the lifestyle requirements, natural beauty, compactness, a creative vibe, open attitudes, and a quiet ambition that makes anything possible.

Even though our economy hasn't performed as strongly as some other cities, Wellington has a clear vision that neatly encapsulates its strengths and values and will position it well for the future as a city that is sustainable, dynamic, connected and people-centred.

To become this city, we need a stronger economy and a growing ratepayer base. The stronger the economy, the faster the ratepayer base grows. The faster the ratepayer base grows, the more we can invest in the city.

In the past 10 years, the Council has invested in city infrastructure and services for the community.

While the key spending priority has been on infrastructure, there have been big increases in spending on community sport and recreation facilities, tourism promotion and events.

The Council's financial position is strong and we have the opportunity and resources to do more, if we choose to. We have an AA credit rating with Standard and Poor's, our rates are not as high as many of our neighbours and we have relatively low debt.

By basing our investment strategy on these factors, we can:

- retain our high quality of life and excellent services
- achieve a real transformation of Wellington's economy, create opportunities for future investment, jobs for our people and improved quality of life.

WE HAVE COMMITTED TO A GROWTH AGENDA

Our role is to support and enable the city's entrepreneurs, investors, researchers and workers to succeed. We have committed to:

- **being open for business** - we will remove red tape, make regulations clear and be customer-focussed
- **doing our core jobs well** - we will deliver our services as efficiently and effectively as possible
- **bringing people together** - we will enable people and organisations to connect so they can create jobs and business opportunities
- **investing for growth** - we will invest in projects that make a real difference to the local economy and people.

WE'VE ALREADY MADE A START

We have already made a start on projects that will achieve our goals, including:

- establishing with other councils the Wellington Regional Economic Development Agency (WREDA)
- joining up back-office and IT services with other councils in the region
- contributing \$1 million to the airport runway extension consent application costs
- establishing the Wellington Economic Initiative Development (WEID) Fund and investing in Destination Wellington
- reducing development contributions.

We will also work with others over the coming years to make the city's transport system more efficient, by prioritising public transport, investing in new cycleways and walkways, and reducing bottlenecks on the road network.

We are maintaining existing levels of service for pools, recreation centres, sports fields and other Council-funded facilities. Our focus is on accommodating demand within existing facilities where possible, as we want to make use of the capacity in the community facilities we have already invested in, before we face the expense of adding more. In line with this broad strategy, we have allocated additional funding to support school pools in their operations to ensure they are of a good standard and well-utilised by the community.

We will also continue to work towards, and have allocated additional resources to, ending homelessness and including the most vulnerable citizens in city life.

Our future programme includes projects aimed at growing the local economy, including:

- a convention centre
- a film museum to celebrate Wellington's film sector and attract international tourists
- an airport runway extension to provide direct flights to Asia and beyond
- a CBD tech precinct to connect people in high-tech industries
- providing better transport choices.



Gates 10-17



Koru Club



Our future programme includes projects aimed at growing the local economy... an airport runway extension to provide direct flights to Asia and beyond

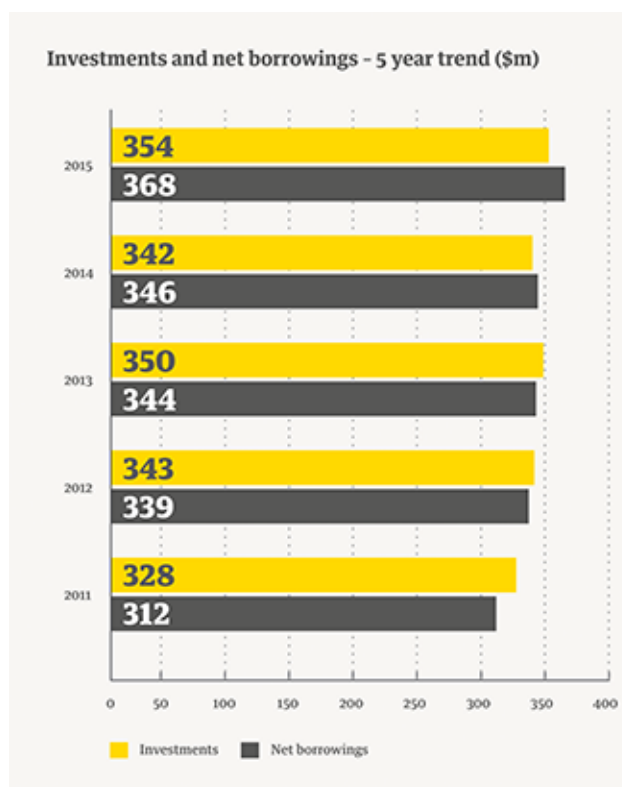
Wellington has the best educated, most creative and tech-savvy people in New Zealand, high quality tertiary institutions, lots of smart businesses and a great culture





Financial highlights

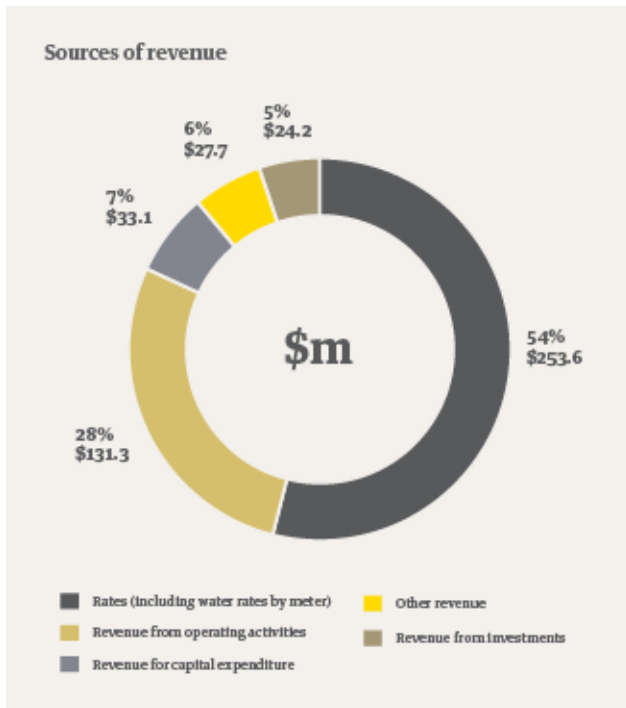
- **The Council achieved an underlying net surplus of \$1.8 million compared to a budgeted breakeven.** The underlying net surplus / (deficit) is the accounting measure that best reflects what the Council collects through rates, investments and other revenue sources such as fees and charges, and what the Council spends on providing services to the City. Having a small underlying surplus / (deficit) reflects the Council's commitment to **intergenerational equity**: each generation of ratepayers should pay for the services they consume.
- **The Council's headline net surplus is \$35.5 million compared to a budgeted \$26.4 million, giving rise to a favourable variance of \$9.1 million,** as reported in the Statement of Comprehensive Revenue and Expense. The surplus includes grants from central government for capital projects which do not affect rates. The variance is mainly due to the revaluation of investment property - again not impacting on the rates requirement.
- **The Council 'met' 12 out of 13 new financial prudence measures** Central government has introduced new financial 'benchmarks' that local bodies need to report against. This shows the Council has acted prudently during the year and within the financial parameters set in our Long-term Plan.
- **The Council spent \$146.5 million during the year on asset renewals and new assets from a budgeted capital expenditure programme of \$166.9 million.** This expenditure included roads, swimming pools, water, waste water and storm water networks, parks and open spaces. We spent less than budgeted due to delays in completing swimming pool and social housing improvements and the deferral of earthquake strengthening the Town Hall. The Council is working to improve the alignment of actual to budgeted capital spend.
- **The Council has maintained its AA credit rating.** This reflects the strong financial state of the Council.
- **The Council's debt levels remain low** - net debt is \$367.8 million. We have investments of \$354.0 million.



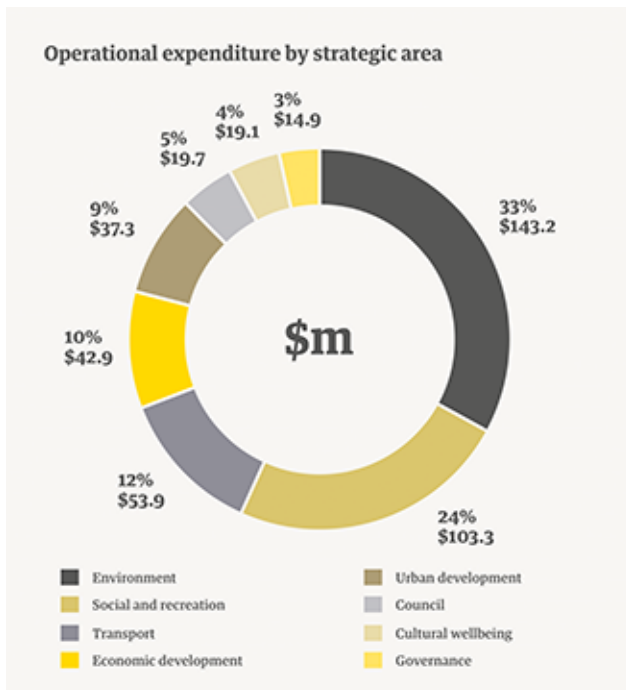
The Council's net debt has only increased by \$21.3 million during the year, \$34.0 million less than budget. The difference is mainly due to changes in the timing of capital projects.

STRATEGIC AREA	TOTAL COST \$m	COST PER RESIDENT PER YEAR \$	COST PER RESIDENT PER DAY \$
Governance	14.9	74	0.20
Environment	143.2	716	1.96
Economic Development	42.9	215	0.59
Cultural Wellbeing	19.1	95	0.26
Social and Recreation	103.3	517	1.42
Urban Development	37.3	187	0.51
Transport	53.9	269	0.74
Council	19.7	99	0.27
	434.3	2,172	5.95

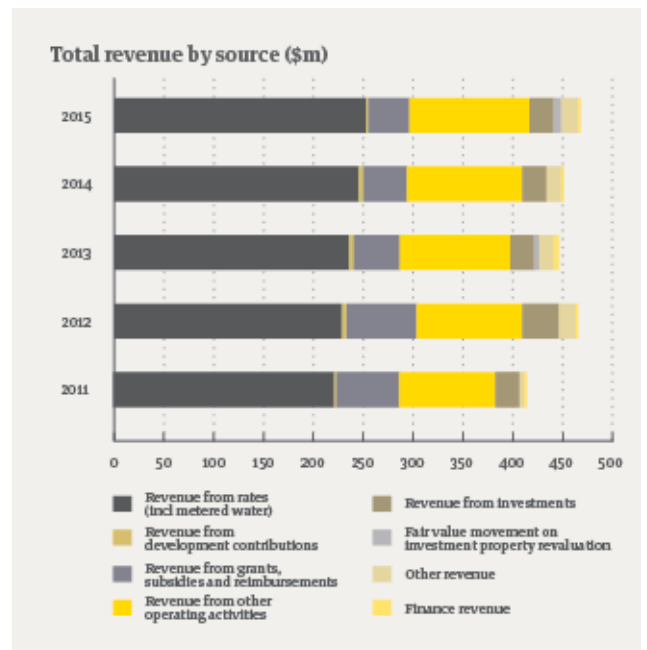
It costs \$5.95 per resident per day to pay for the wide range of services that the Council provides, ranging from the provision of basic services such as roading, water, waste water and storm water, through to the maintenance and running of parks, gardens, swimming pools, libraries and the economic development of the city.



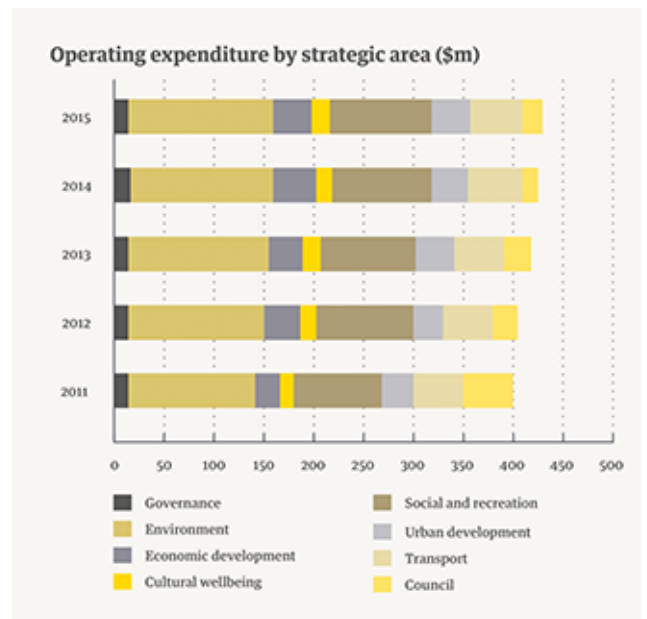
The Council's biggest source of revenue is rates revenue, which accounts for 54% of all revenue. The Council's funding mechanism is governed by its Revenue and Financing Policy, as disclosed in the 2012 Long-term Plan.



The Council's largest operational expenditure is on Environment with 33%, which includes the maintenance of water, waste water and storm water networks, followed by Social and Recreation at 24%.



The Council's revenue over time is influenced by the amount of grants it receives for capital expenditure in any one year. This varies dependant on the annual capital expenditure programme to be funded, as shown by the higher 2012 revenue levels resulting from an increase in housing grants received.



The Council has shifted its operational expenditure by strategy over time from Governance to Economic Development and Urban Development, in line with its overall strategy as outlined in the 2009 and 2012 Long-term Plans.

Explaining our work

This report highlights our performance for each of our seven activity areas. You will find information about the state of the city - everything from the transport network, to the state of the environment, to the strength of Wellington's communities.

For each activity area, we have summarised the goals we want to achieve, why we are pursuing them and what we are doing to achieve those goals. We also describe how each activity area contributes towards our community outcomes.

For each activity we explain:

What we do - an outline of the scope of our work under the activity.

What we achieved - a description of milestones achieved during the year.

How we performed - an outline of results against targets. We place these in the context of past results and next year's targets where appropriate.

What it cost - a summary financial table for that activity area.

This performance information is drawn from a wide variety of sources, including annual surveys of Wellington residents. The Residents Monitoring Survey (RMS) has two parts, both of which are weighted to be representative of Wellington's population in terms of age, gender and ward. All participants are aged over 18, with 760 responses to part 1 and 686 for part 2. The standard margin of error is +/-3.55% for part 1, and +/-3.74% for part 2.

Over the last few years we have made the transition from conducting our Residents Monitoring Surveys using telephone surveys to now conducting them online. Therefore, because of this methodology change, previous results are not directly comparable. Consequently, only 3 years of data is included for any measures taken from the RMS.

We will review all our performance measures and targets during the development of the 2015/16 Annual Plan.

Our measures, financial results and commentary are independently scrutinised by Audit New Zealand.

Statements of Service Provision



1

Governance Pārongo ā-tāone

Governance is about democratic local decision-making on behalf of the people of Wellington. Our governance activities include managing local elections, informing residents about the city and the issues or challenges it faces, listening to residents' views, making decisions in the best interests of the city and its people, and managing partnerships with mana whenua and other groups.

This work is essential for local democracy and for the quality of Council decision-making. Residents have a fundamental right to influence the makeup of the Council through elections, and to be informed about, and influence, Council decision-making. Public input and involvement also improve the quality of decision-making by ensuring that all points of view and all relevant information are considered.

Our partnerships with mana whenua recognise their special place in the city's history and special relationships with its land, waterways and other parts of its environment.

Our overall aim is to build trust and confidence in our decisions and delivery.

OUR GOVERNANCE OBJECTIVES

Democratic decision-making

In 2014/15 we:

- Started live-streaming Council meetings to make Council decision-making more transparent for residents
- Adopted our Long-term Plan 2015/25, which sets a growth agenda for the Council and Wellingtonians alike.

Open access to information

- This year, we created a dedicated LTP website to open up information streams about our Long-term Plan process. This interactive website drew record numbers of comments and feedback from ratepayers and residents.

Recognition of Māori

- We have ongoing engagement with our iwi and two mana whenua partners to facilitate and support their participation in local decision-making.

OUR GOVERNANCE ACTIVITIES CONTRIBUTE TO US BEING:

People-centred: They enhance trust and confidence in civic decision-making and encourage the community to participate in city governance. They also promote inclusiveness, celebrate social and cultural diversity, and enable 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.

Case study

Improving access to democracy

In August 2014 we began live-streaming all Council meetings. This initiative, which is hosted on a dedicated Youtube channel, is aimed at encouraging transparent decision-making and improving access to local democracy. We hope that the introduction of online viewing will encourage Wellingtonians to be better informed about the role of the Council in community life.

After a formal announcement, live-streaming starts at the beginning of each meeting. Five cameras then follow the action, giving viewers a live, unedited, view of Council members debating issues and making decisions. After the live event, the video is made available on Youtube for people to access from home at any time.

The introduction of this technology has been successful in generating increased public awareness and interest in Council decision-making. We have seen a steady increase in viewer numbers, particularly when high-profile matters are being debated and voted on. Live-streaming also appears to have influenced civic engagement, with more members of the public choosing to participate in Council activities.

This year, our focus on improving access to democracy has been reflected within the RMS indicators that measure our performance. While these measures are yet to fully achieve their targets, we have seen steady increases in the number of positive responses to residents' satisfaction and information accessibility questions. These gains highlight the value of the Council investing in initiatives such as live-streaming and illustrate our continuing commitment to enhancing social resilience and strengthening democratic institutions.

You can view the Council meetings on our Youtube channel at: <https://www.youtube.com/watch?v=a6vvKVszO8I>



1.1

Governance, information and engagement

Pārongo, kōrerorero whānui me ngā mahi whakataunga

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

WHAT WE DO

Our decisions need to reflect the services that matter to the community and how much they are willing to pay for them. We ensure people are well-informed and can contribute meaningfully to the Council decision-making processes. The Local Government Act 2002 sets out the decision-making, planning and accountability procedures expected of local authorities.

Other legislation requires us to keep a record of our work and provide access to the information we hold. City Archives preserves and makes available a huge range of primary information about the city's history. Our activities include:

- **city governance and engagement** - we provide advice, research and administrative support to elected members and community boards. We host local body elections, do accountability planning and reporting and facilitate engagement on key issues and input from advisory groups
- **civic information** - our contact centre and website provide 24/7 access to information and a place to log service faults
- **City Archives** - we manage archival information in line with legislation.

We engaged with Wellington residents. E-governance has been a key focus for us to deliver good governance. We launched live-streaming of the Council meetings so that residents can watch issues being debated and voted on, making Council decision-making even more transparent.

The Council is equipped to make it possible for Wellington residents to participate in Council and committee meetings remotely using audio and audio visual means.

We enhanced democratic ideals. We implemented a realignment of the Council's Governance structure, enhancing the involvement of all councillors in all major decisions of the Council. We also continued to work with the Local Government Commission, along with other Councils in the region, on alternative governance structures that could deliver improvements and meet the expectations of the broader community.

We enhanced our ability to make decisions on important community issues. Our District Licensing Committees (DLCs) are charged with considering and determining all alcohol licences and managers certificate applications for the Wellington district. From inception until the end of June 2015, the DLCs have conducted 66 public hearings/ meetings and have issued a total of 2,667 substantive decisions.

WHAT WE ACHIEVED

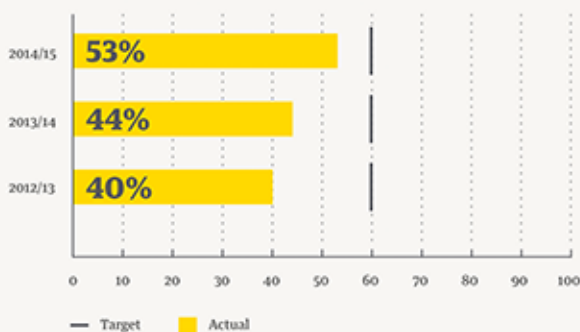
We set the Council's strategic direction. Every 3 years, the Council sets out its plan for the next 10 years through the development of a Long-term Plan. Before we adopt our Long-term Plan, we seek Wellingtonians' views through an extensive and formal consultation and submission process. Council designed an interactive website drawing more comments and feedback from more residents and ratepayers. The LTP 2015/25 combines Council's 'business as usual' activities in all strategic activity areas with its key projects and programmes in its 'invest to grow' agenda. We successfully adopted the LTP 2015/25 in June 2015 and the major projects will progress through a variety of stages.

HOW WE PERFORMED

We have improved customer satisfaction with our information and engagement work. We continue to meet our legislative obligations for information accessibility, and our performance in this regard has improved. Our service centre is very good at responding to enquiries and residents are highly satisfied with the services provided by the City Archives.

We understand how well the public is informed and engaged

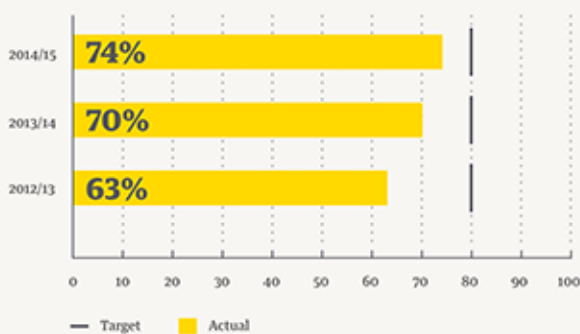
Percentage of residents satisfied with the level of consultation (i.e. the right amount)



Source: WCC Residents Monitoring Survey 2015

This year we continued our efforts to improve our communication and consultation around Council's work, resulting in significant performance gains.

Residents' (%) satisfaction with their involvement in Council decision-making (including neutral responses)



Source: WCC Residents Monitoring Survey 2015

E-democracy participation - number of ePetitions and number of people that participate

This year we received 18 ePetitions and 1,134 people participated. In 2013/14, we received 10 ePetitions and 283 people participated.

There is no target for this performance measure.

Source: WCC Democratic Services

We measure how easy it is for residents to access information and whether that information is available in a timely manner

The Council and committee agendas (%) are made available to the public within statutory timeframes (2 working days prior to the meeting)

Result: 100% (Target: 100%. 2013/14: 100%; 2012/13: 100%; 2011/12: 100%).

Source: WCC Democratic Services

The Council and committee agendas (%) made available to the public five days prior to the meeting

Result: 65% (Target: 80%. 2013/14: 59%; 2012/13: 80%; 2011/12: 74%; 2010/11: 75%).

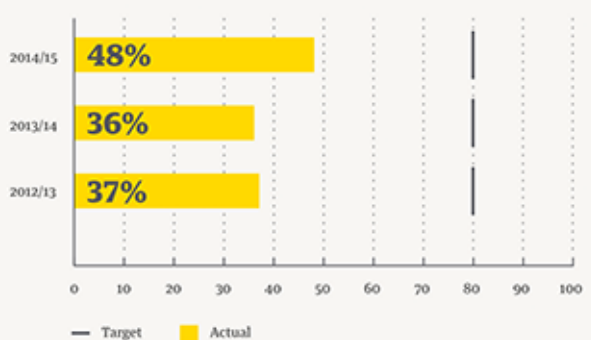
The Local Government Official Information and Meetings Act 1987 requires us to make all agendas and reports available two days before meetings. We have set ourselves a higher standard by aiming for five days.

This year, while 100% of agendas were made publically available at least two days prior to a meeting, we have not reached our five day target, due to tight deadlines and a new governance structure adversely affecting our performance. Also, performance in this measure is often dependant on external authors of Council Reports, which can adversely affect timeliness. However, our performance against this measure improved between 2013/14 and 2014/15, and we continue to work towards achieving this target.

We plan to review this performance measure during the 2016/17 Annual Plan in order to make it more realistic.

Source: WCC Democratic Services

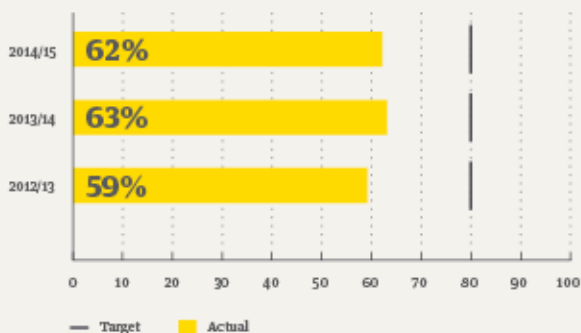
Residents' (%) who agree that Council information is easy to access



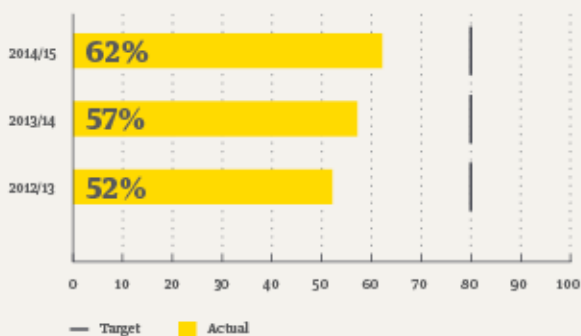
Source: WCC Residents Monitoring Survey 2015

Residents (%) who agree the Council website is easy to navigate and use

Easy to navigate



Easy to use



Source: WCC Residents Monitoring Survey 2015

In past years the Council’s performance in these categories has been significantly below target. In response we have been increasing our efforts to improve consultation and communication. This year, while we remain below target, our performance does show a positive trend.

Contact Centre calls that are answered within 30 seconds

Result: 84% (Target: 80%. 2013/14: 80%; 2012/13: 82%; 2011/12: 81%).

Source: WCC Contact Centre

Contact Centre emails that are answered within 12 hours and 24 hours

Result: n/a (Target: 90%. 2013/14: n/a).¹

Result: 100% (Target: 100%. 2013/14: 100%; 2012/13: 100%; 2011/12: 98%).

Source: WCC Contact Centre

80% of issues reported through the smartphone Fix-It app will be responded to within 30 minutes and the remaining 20% within 6 hours

Result: 86% (Target: 80%. 2013/14: n/a).

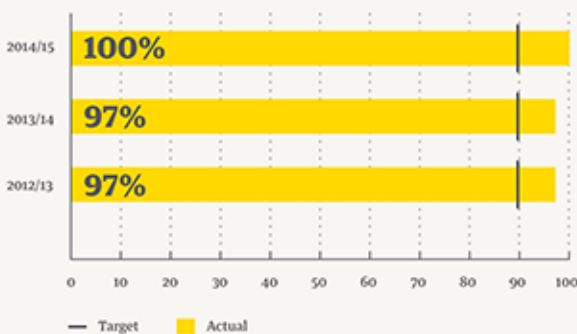
Result: n/a (Target: 100%. 2013/14: n/a).²

Source: WCC Contact Centre

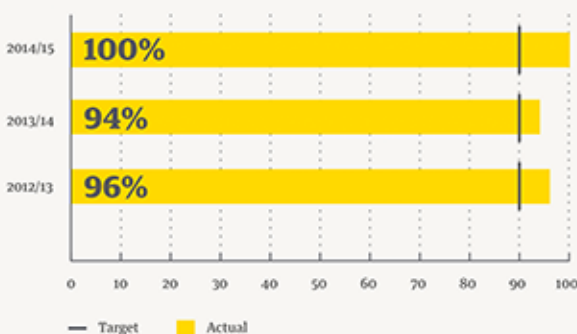
We measure our success at protecting the city’s historic information and making it available to the public

User satisfaction with City Archive services and facilities

Services



Facilities



Source: WCC City Archives

1 This year, due to internal technical issues, we have been unable to measure our performance for the number of emails responded to within 12 hours. We are looking at reviewing this measure in future years.
 2 This year, due to internal technical issues, we have been unable to measure our performance for the number of issues reported through the Fix-It app responded to within six hours. We are looking at reviewing this measure in future years.

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
1.1.1	City Governance and Engagement ¹			
Expenditure	8,120	8,329	209	9,523
Revenue	(106)	(58)	48	(508)
Net Expenditure	8,014	8,271	257	9,015
1.1.2	Civic Information			
Expenditure	5,364	5,433	69	5,361
Revenue	(387)	(324)	63	(411)
Net Expenditure	4,977	5,109	132	4,950
1.1.3	City Archives ²			
Expenditure	1,194	1,016	(178)	1,481
Revenue	(162)	(182)	(20)	(182)
Net Expenditure	1,032	834	(198)	1,299

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
1.1.1	City Governance and Engagement			
Expenditure	-	-	-	53
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Under budget due to personnel vacancies during the year.
2. Over budget due to higher personnel costs.

1.2

Māori and mana whenua partnerships

Whai wāhitanga Māori (tae noa ki te mana whenua)

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

WHAT WE DO

We ensure the special position of mana whenua Ngāti Toa Rangatira and Taranaki Whānui ki te Upoko o te Ika is acknowledged and reflected in the way we make decisions about the city and its resources. We also ensure their contribution to Wellington's heritage and future is fully and publicly acknowledged. We work with mana whenua to explore opportunities for the city emerging from settlement of their historic Treaty of Waitangi claims and engage with the wider Māori community in particular on issues of specific interest to them.

Other activities include:

- maintaining formal relationships with two mana whenua partners
- facilitating opportunities to contribute to local decision making.

100 events. Matariki dates are dependent on the lunar moon and the rising of the Matariki constellation spanned much of June and into July. The Council supported the Seven Sisters and Seven Brothers concerts at the Opera House on 7 and 8 July. This was the second successful Matariki Wellington Festival (matarikiwellington.org) with funding from the Regional Amenities Fund.

We continue to engage our iwi partners on a regular basis on many strategy and policy matters, and in particular, as iwi authorities for the purposes of the Resource Management Act 1991. We also connected iwi and the community through cultural service requests. We have Memoranda of Understanding with Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira Incorporated.

We continue to engage the wider Māori community, who subscribe to Council's web-alerts, e-Newsletters (particularly Nōna te Ao) and the Māori Organisations, Residents, and Ratepayers database. We hosted hui to determine a Māori perspective for the Long-term Plan and will continue to do so for other Council initiatives that arise.

WHAT WE ACHIEVED

We supported community events. Te Wiki o te Reo Māori falls in July as the new financial year kicks-off. In 2014 we hosted or supported three free events: Te Kōnohete at Shed 6, Toi te Kupu at the City Gallery, and the Te Awa-a-Taia Roller Disco at Kilbirnie Recreation. Te Rā o Waitangi (6 February) returned to the spacious Waitangi Park, with our co-host Port Nicholson Block Settlement Trust opening the day alongside local elected members. In March we supported the food and music festival Te Rā o Kupe at Te Kura Kaupapa Māori o Ngā Mokopuna in Seatoun.

We promoted the Te Rā Haka. In March we supported Te Kāhui Kaiako Māori o te Whanganui-a-Tara (Wellington to Otaki Māori Secondary Schools Teachers Association) to host Te Rā Haka at the ASB Sports Centre, where approximately 500 students from Seatoun to Ōtaki came together to learn a local iwi haka. This year the city also remembered 100 years since World War I and we gathered 200 college students from across the region to perform haka for the Anzac Day Street Parade.

We assisted with this year's Matariki celebrations with collaboration from many organisations, delivering almost

HOW WE PERFORMED

We measure the health of our relationship with mana whenua

Mana whenua partner evaluation - maintaining a positive relationship with our mana whenua partners

Wellington City Council has two mana whenua partnerships: Te Runanga o Toa Rangatira Inc representing Ngati Toa, and Port Nicholson Block Settlement Trust representing Taranaki Whanui ki Te Upoko o Te Ika (Taranaki Whanui).

Both partners said that the relationship with Wellington City Council has been positive in 2014/15. Key elements to this were the 'people factor', including the trust and mutual respect that had been built up over a number of years and the support and helpfulness of Council officials in a range of areas.

It was clear that both partners are developing towards a post treaty settlement future and are positive about the potential opportunities that Wellington City and the Council relationship offers to support their development aspirations. Much of the feedback about the relationship was therefore focused on the possibilities for its development, as Council's aspirations for the city and mana whenua aspirations for iwi development are complementary. Currently, the mana whenua relationship scope is mostly around policy development, compliance and tikanga, however, there are opportunities to develop closer links and synergies around major development initiatives.

Both partners aspire to be more engaged in the strategic work of the Council, including economic development, and acknowledge situations where this collaboration has been effective.

Both partners acknowledged that responding to the Council requests in a tight timeframe sometimes places a strain on limited capacity. It was felt that there could be some changes in the way that the Council engages, including a longer notice that work was coming up and feedback was needed, being clear what the partner should focus on, and, where possible, providing a longer timeframe for response. It was noted that this was an issue with Councils generally.

Both partners also saw greater opportunities to share knowledge across the organisations - for example, Council staff educating mana whenua partner staff about the building and resource consents processes in some depth.

Source: Mana whenua partners' relationship evaluation 2015

We measure the engagement of the city's Māori residents

Māori residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making

Result: 69% of Māori surveyed were satisfied or neutral with regard to their involvement with decision-making (Target: 85%. 2013/14: 56%; 2012/13: 60%).

This year we have seen a positive improvement in our performance within this measure, with a 13% increase from 2013/14. However, the Māori community still feel that we need to work harder to ensure their needs and aspirations are reflected in our work and in the services we provide.

Source: WCC Residents Monitoring Survey 2015

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
1.2.1	Māori and Mana Whenua Partnerships			
Expenditure	202	225	23	225
Revenue	(10)	-	10	(1)
Net Expenditure	192	225	33	224

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
1.2.1	Māori and Mana Whenua Partnerships			
Expenditure	-	-	-	-

2

Environment Taiao

The Council is responsible for vital services such as water supply, waste reduction and disposal, wastewater and stormwater services. We fund conservation attractions such as Zealandia and Wellington Zoo, manage open spaces such as the Town Belt, Outer Green Belt and the city's beaches and coastline.

We fund these services because they are critical to the lives of individual Wellingtonians and to the community as a whole. They ensure that the city is safe and liveable, that basic human needs are met and they minimise harmful effects from human activity. They also provide recreation opportunities, attract visitors, and make the city a beautiful place to live.

OUR ENVIRONMENT OBJECTIVES

Security of supply

- We completed the strengthening of several reservoirs and made progress on our network upgrade programme through installing auto-shut valves. These developments ensure that Wellingtonians retain access to essential services and that the water network is resilient and secure.

Waste reduction

- **Kai to compost.** As food waste is becoming an increasingly popular topic of discussion internationally, we use initiatives like our Kai to Compost food waste collection service to try and divert it from landfill.

Access to green open spaces

- We ensure that access to open spaces is improved and retained through replenishing the sand at Oriental Bay Beach and completing path realignments across several trails at Otari-Wilton's Bush.

Biodiversity

- We completed *Our Natural Capital* - Wellington's Biodiversity Strategy and Action Plan. Our focus on conservation and biodiversity is also highlighted by the Botanic Gardens winning several awards, including an international Green Flag award for Otari-Wilton's Bush.

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 attract visitors and provide attractive, safe and accessible opportunities for leisure and recreation.

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.

An eco-city: High quality natural and green environments protect and enhance our biodiversity and contribute to offsetting 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.

A 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 it will distinguish Wellington from other cities as a desirable and healthy place to live and establish a business.

Case study

Smart energy challenge

The Smart Energy Challenge is a Wellington-wide collaboration that brings together businesses, community partners, entrepreneurs and Wellington City Council to help sustainable business refine, connect, and launch their ideas for smarter energy in Wellington.

This is a new way for the Council to tackle climate change by joining forces with our community and empowering Wellingtonians to create positive solutions.

If the teams are successful in raising their target funds from the community, Wellington City Council will match the amount they have raised dollar for dollar.

Wellington is a city that already has many people using methods other than cars to get around. Russell and Liberty from Newtown have a vision for Wellington where bikes play a larger part in how our city works. They are helping to make this happen with their bike deliveries project.

Fuelled by an enthusiasm for all things bike-related, No Car Cargo offers cargo bikes as a viable means of transporting small to medium-sized goods around the Wellington CBD and surrounding suburbs, and provides people and businesses with bikes as an affordable and friendly option.

No Car Cargo was one of five teams taking part in the 2015 Smart Energy Challenge.

For Russell and Liberty, the Challenge was a great chance to get their idea up and running, gain experience and learn what they need to make this project succeed. No Car Cargo used the Smart Energy Challenge workshops to develop and launch their business.

One of their first customers is Fix and Fogg, artisan peanut butter makers based in Eva Street. Fix and Fogg co-founder Roman Jewell says having No Car Cargo to deliver within the CBD is a great match for their product. "We believe in keeping things pure and simple. Russell helps us keep our philosophy alive all the way to the customer."



Case study

Parks Week Pop-Up Forest

The 'activation' of Bond St in the central city provided the perfect opportunity for the Council to launch Parks Week 2015 with a Pop-Up Forest. Parks Week is an annual international celebration of the important role that our parks play in contributing to the health of our communities and cities. It provides the Council with an opportunity to promote Wellington's beautiful native bush reserves, botanic gardens, restoration planting programmes and other park programmes.

The Pop-Up Forest launch event received extensive media interest including television coverage highlighting Wellington parks and the Council's many environmental initiatives. A total of 27 Parks Week opportunities were offered to the community and these activities were located in 25 open spaces across Wellington. More than 6,000 Wellingtonians took the opportunity to engage in a Parks Week activity.

The Pop-Up forest was set up for just one day and was created from approximately 3,000 native trees borrowed from Berhampore Nursery and included 700 giveaway plants from the Forest & Bird nursery. Visitor count estimates were more than 1,500 over the course of the day, with approximately 500 people on site between 12 and 1pm alone. A further 700 people came back later on in the day to receive a free native plant. All of these plants were labelled with care instructions and many were also labelled 'Kereru friendly' by the Kereru Discovery team. The giveaway also contributed to achieving the Council's 2 million trees by 2020 project.



2.1

Gardens, beaches and green open spaces

Ngā wāhi wātea me ngā mahi papa atawhai

We manage the city's natural environment and gardens in ways that balance conservation and enhancement with opportunities for enjoyment and recreation.

WHAT WE DO

Wellington is surrounded by nature. We preserve the city's unique environment and protect and restore its biodiversity. A high-quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible spaces for leisure and recreation. Our aim is to enhance enjoyment of these areas. Our activities include providing:

- 4,000ha of parks, reserves and beaches
- 200 buildings for community use
- 340km of walking and mountain bike tracks
- over 200,000 m² of amenity bedding and horticultural areas
- boat ramps, wharves, seawalls and slipways
- enhancement and protection of our biodiversity (pest management).

WHAT WE ACHIEVED

Engagement on the Biodiversity Action Plan and Our Natural Capital Biodiversity Strategy. In 2015, we finalised our biodiversity strategy and developed an implementation plan to protect and restore the City's indigenous biodiversity. This strategy outlines our vision, goals and objectives and sets the priorities that give our work direction and purpose, underpinned by a set of guiding principles. This showcases how the Council's investment in Otari-Wilton's Bush, Berhampore Nursery and biodiversity management places Wellington's conservation efforts at world class level.

The Otari-Wilton's Bush team successfully germinated the regionally rare *Brachglottis kirkii* (common name Kohurangi or Kirk's Daisy) after a 5 year trial and helped save the native daisy *Celmisia* 'managweka' from the brink of extinction. Otari-Wilton's Bush is now a registered provider for the New Zealand Indigenous Flora Seed Bank, which is part of the international Millennium Seed Bank project. Combined with the reviewed eco-sourcing and seed collection work by the Council's Berhampore

Nursery, we are delivering national best practice in restoration.

We also completed the path realignment of the central collections trail at Otari-Wilton's Bush. The Leonard Cockayne Centre at Otari-Wilton's Bush is complete and now provides a wonderful bookable destination for education purposes, workshops and meetings.

We have had an exciting year of threatened bird breeding in our parks, including the saddleback. Wellington now also has banded dotterels breeding on the South Coast.

We protected Wellington's biodiversity. We are increasing the funding available for pest control initiatives in the next ten years to protect Wellington's biodiversity. This falls under the auspices of *Our Natural Capital*, Wellington's Biodiversity Strategy and Action Plan.

We maintained and beautified our beaches and coast. We replenished Oriental Bay beaches with 1,200 tonnes of new sand in order to restore 2003 levels and completed the strengthening of the Evans Bay northern boat ramp with new timber piles, bearers and a concrete surface.

We worked with our partners on key projects such as Restoration Day, the Great Kereru Count, Victoria University Summer Scholars, Porirua Harbour Strategy and the Southwest Peninsula Goat Project. Wellington Botanic Garden and Otari-Wilton's Bush have become partners in the Nature Connections programme, celebrating Wellington's inspiring nature stories - see our stories on natureconnections.org.nz.

We upgraded our Town Belt. The Council and community groups planted 80,845 plants and involved school children and corporate groups in many of these plantings. We set in place a 5 year contract to replant the sites around the city that were damaged in the 2014 storms.

We managed the botanic gardens for the benefit of everyone. It has been a great year for awards for the Botanic Gardens of Wellington: Wellington's popular Lady Norwood Rose Garden has won the prestigious 2015 World Federation of Rose Societies Garden of Excellence Award; Otari-Wilton's Bush won an international Green Flag award, given to a select number of the best parks in the world; and Wellington Botanic Garden Curator, Karl Noldan, won the amenity sector for Young Horticulturalist

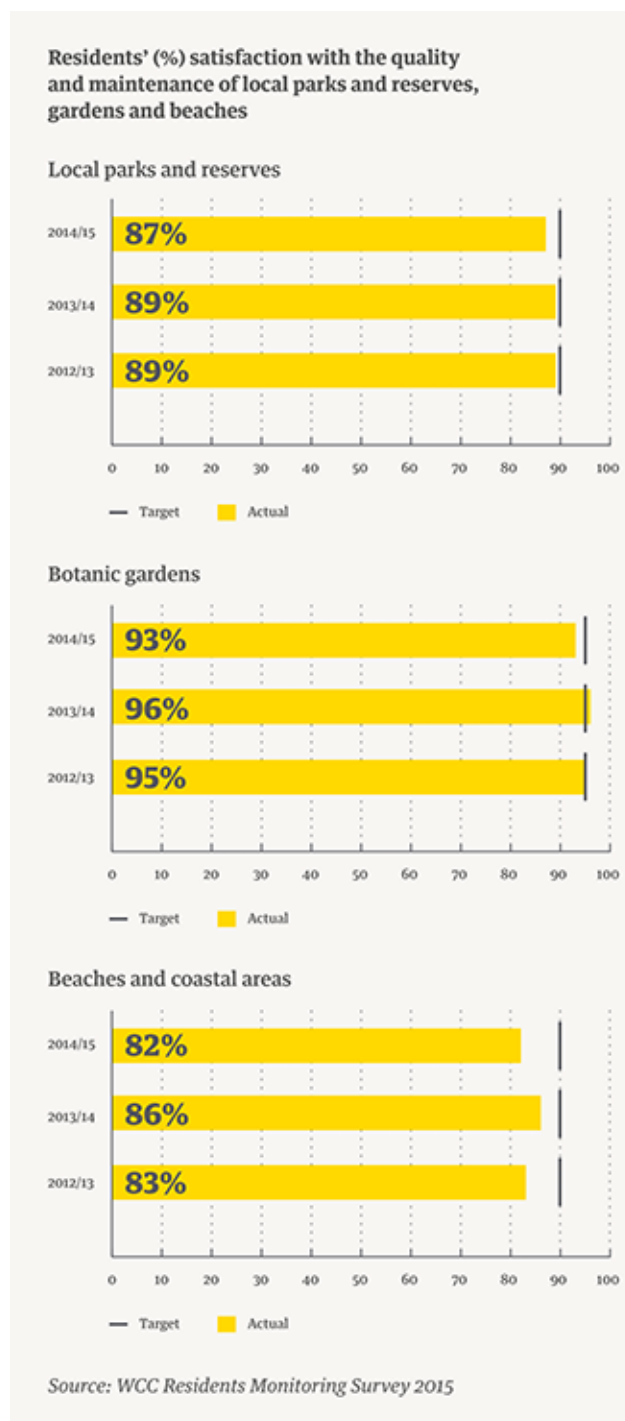
of the Year and goes on to compete in the national finals. We also removed a large amount of sediment from the duck pond in the Gardens, making it fresh and ready for another busy spring and summer season.

We supported community organisations and projects. We provided grants to community organisations through the Our Living City Fund. This helps make the city a better place through supporting planting projects, community gardens, environmental initiatives and local clean ups. In 2014/15, we supported 22 projects with grants ranging from \$220 to \$12,000, and these ranged from bird monitoring, pest control projects and clean ups on beaches, to community gardens in schools and play centres.

HOW WE PERFORMED

This activity offers good value for money, is highly used by satisfied residents and is maintained to a high standard.

We measure the standard of the open spaces we provide



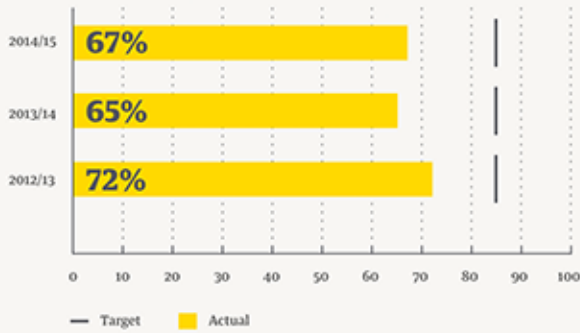
Residents (%) who agree that green open spaces, gardens and beaches provide good value for money

Result: 82% (Target: 90%. 2013/14: 77%; 2012/13: 80%).

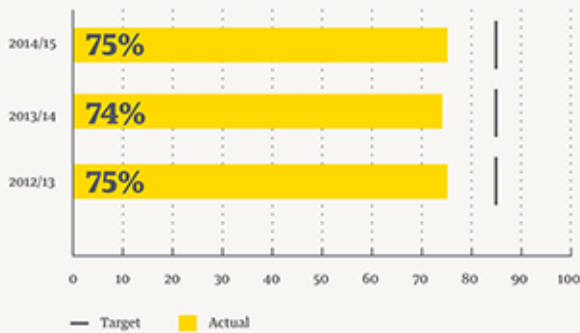
Source: WCC Residents Monitoring Survey 2015

Residents' (%) satisfaction with the quality and maintenance of green open spaces

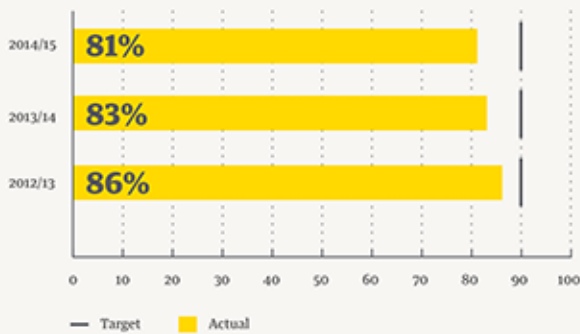
Roadside vegetation



Street cleaning



Walkways



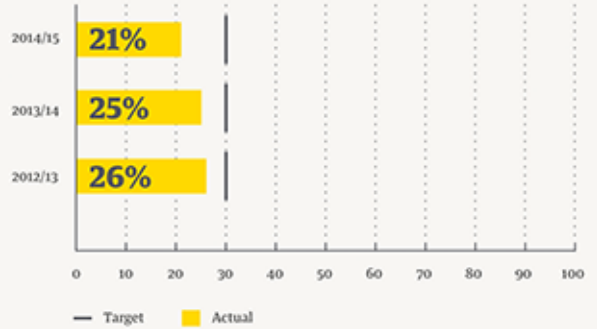
Source: WCC Residents Monitoring Survey 2015

We maintain roadside vegetation to enable safe traffic movement. Sometimes we are asked to remove vegetation for other reasons, which are outside our scope. Some of the dissatisfaction with this service may result from this tension between our policies and people's expectations.

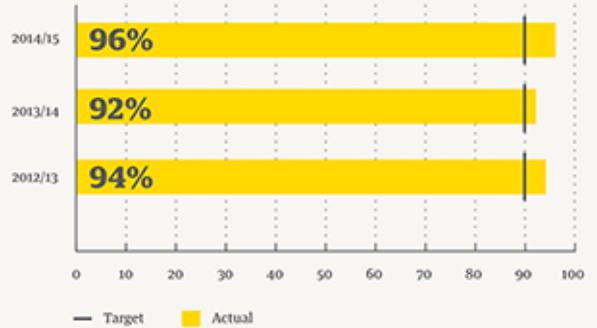
We measure the use of the open spaces we provide

Residents' frequency (%) of usage of local parks and reserves

Weekly



Yearly



Source: WCC Residents Monitoring Survey 2015

This year, while we have not met our targets for weekly use, many residents access our parks and reserves on a monthly or yearly basis.

Number of visitors to the Botanic Garden

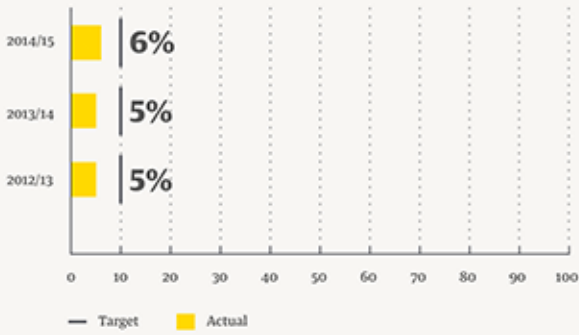
Result: 1,354,681 (Target: 1,200,000. 2014/13: 1,542,535; 2012/13: 1,141,398).

This year, a good summer, an increase in cruise ship passengers making independent trips and visiting teams and supporters associated with the Cricket World Cup and Football World Cup, have led to our estimated visitor count for the Botanic Garden exceeding target.

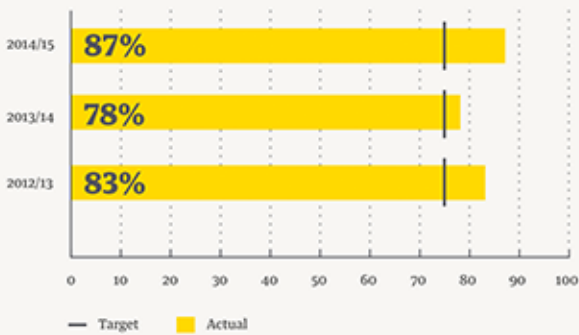
Source: Botanic Gardens

Residents' frequency (%) of usage of Botanic Garden

Weekly



Yearly

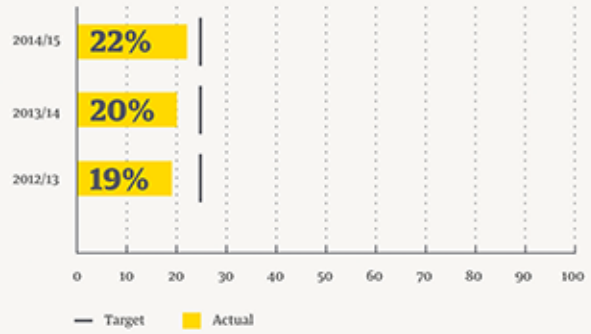


Source: WCC Residents Monitoring Survey 2015

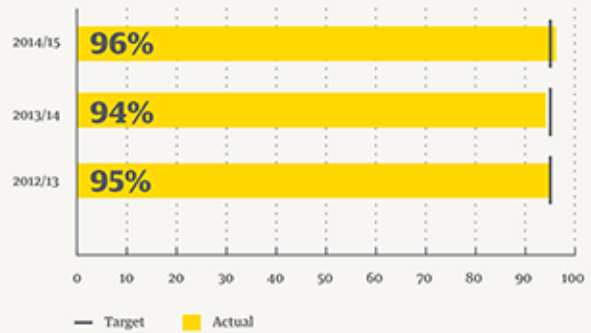
This year, while we have not reached our targets for weekly use of botanic gardens, residents' yearly use has significantly exceeded target.

Residents' frequency (%) of usage of beaches and coastal areas

Weekly



Yearly

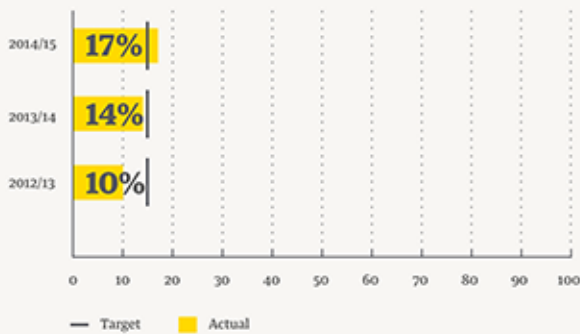


Source: WCC Residents Monitoring Survey 2015

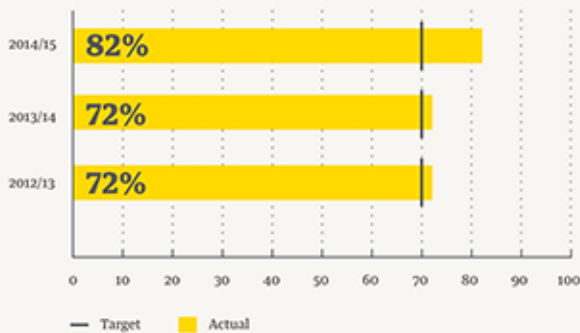
This year, while we have not met our targets for weekly usage of beaches and coastal areas, residents' yearly usage is on target.

Residents' frequency (%) usage of walkways

Weekly



Yearly



Source: WCC Residents Monitoring Survey 2015

Total number of native plants provided by WCC for community planting

Result: 38,625 (Target: 34,000. 2013/14: 32,378; 2012/13: 32,162).

This year, due to continuing demand from groups wanting plants early in the season, the total number of plants we provide has increased significantly. This was achieved by shifting the balance between community planting and planting we have undertaken, for this financial year.

Source: WCC Parks, Sport and Recreation

High value biodiversity sites (%) covered by integrated animal pest control or weed control

Result: 67% (Target: 70%. 2013/14: 52%; 2012/13: 52%).

Source: WCC Parks, Sport and Recreation

Proportion of grant funds successfully allocated (through milestones being met)

Result: 100% (Target: 95%. 2013/14: 97%; 2012/13: 100%).

Source: WCC Community Networks

Proportion of project outcomes that are successfully achieved (weighted by \$ value)

Result: 100% (Target: 90%. 2013/14: n/a).

Source: WCC Community Networks

We measure the standard of our street cleaning service

Street cleaning (%) compliance with quality performance standards³

Result: 97% (Target: 100%. 2013/14: 95%; 2012/13: 97%; 2011/12: 99%; 2010/11: 99%).

Source: WCC City Networks

We measure our efforts to protect and enhance biodiversity and native species health

Total number of native plantings undertaken by WCC

Result: 42,220 (Target: 45,000. 2013/14: 50,712; 2012/13: 41,155).

Source: WCC Parks, Sport and Recreation

³ We include this measure here because street cleaning affects water quality in the harbour and city waterways.

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
2.1.1 Local Parks and Open Spaces				
Expenditure	8,497	8,545	48	8,439
Revenue	(608)	(611)	(3)	(863)
Net Expenditure	7,889	7,934	45	7,576
2.1.2 Botanical Gardens				
Expenditure	4,883	4,762	(121)	4,715
Revenue	(417)	(409)	8	(364)
Net Expenditure	4,466	4,353	(113)	4,351
2.1.3 Beaches and Coast Operations¹				
Expenditure	996	1,371	375	964
Revenue	(50)	(51)	(1)	(50)
Net Expenditure	946	1,320	374	914
2.1.4 Roads Open Spaces²				
Expenditure	8,204	7,645	(559)	9,132
Revenue	(614)	(667)	(53)	(553)
Net Expenditure	7,590	6,978	(612)	8,579
2.1.5 Town Belts³				
Expenditure	4,283	5,080	797	4,783
Revenue	(1,425)	(209)	1,216	(1,276)
Net Expenditure	2,858	4,871	2,013	3,507
2.1.6 Community Environmental Initiatives				
Expenditure	634	632	(2)	456
Revenue	(1)	-	1	(9)
Net Expenditure	633	632	(1)	447
2.1.7 Walkways				
Expenditure	569	597	28	525
Revenue	-	-	-	-
Net Expenditure	569	597	28	525
2.1.8 Biodiversity (pest management)				
Expenditure	1,663	1,530	(133)	1,397
Revenue	(76)	(38)	38	(133)
Net Expenditure	1,587	1,492	(95)	1,264

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
2.1.1 Local Parks and Open Spaces⁴				
Expenditure	1,116	813	(303)	1,939
Unspent portion of budget to be carried forward	n/a	505	-	n/a
2.1.2 Botanical Gardens⁵				
Expenditure	681	602	(79)	661
Unspent portion of budget to be carried forward	n/a	-	-	n/a
2.1.3 Beaches and Coast Operations				
Expenditure	613	568	(45)	147
Unspent portion of budget to be carried forward	n/a	-	-	n/a
2.1.5 Town Belts				
Expenditure	106	110	4	113
Unspent portion of budget to be carried forward	n/a	-	-	n/a
2.1.7 Walkways				
Expenditure	624	625	1	158
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Under budget due as grant funding for the Lyall Bay Surf Club was not paid as the club is still fund-raising for their new building.
2. Over budget due to decision not to implement new bins, after trials did not deliver expected benefits.
3. Under due to to unbudgeted vested asset revenue and savings in rates expenses.
4. Budget includes \$220,000 carried forward from the 2013/14 year for the Watts Peninsula and Children's Garden projects. The Halfway House refurbishment cost more than expected but this was offset by delays in the Children's Garden development at the Botanical Gardens.
5. Over budget due to work at Otari Wilton's bush which was budgeted in 2013/14 year and the budgets were not initially carried forward in 2014/15. This was subsequently approved by the Council.

2.2

Waste reduction and energy conservation

Whakaiti para, hangarua me te pena pūnga

Sustainability is about meeting our needs now without burdening future generations.

WHAT WE DO

A sustainable city uses resources efficiently, re-uses or recycles them and only commits them to landfills as a last resort. Sustainability is about reducing the amount of energy we use and using clean energy from renewable sources. It is also about promoting a culture that values the environment and encourages pro-environment behaviour of everyone who lives, works or studies here. We manage and monitor:

- landfill operations / composting waste at the Southern Landfill
- domestic recycling and rubbish collection
- the environmental impacts of closed landfills
- programmes to educate residents to manage and minimise waste effectively.

WHAT WE ACHIEVED

Wellington was accepted into the 100 Resilient Cities Network. A thousand cities across six continents applied to be among the first 100 cities selected to receive technical support and resources over 3 years. Selected cities receive:

- funding to hire a Chief Resilience Officer
- assistance in developing a resilience strategy
- access to a platform of innovative private and public sector tools to help design and implement that strategy
- membership in the 100 Resilient Cities Network.

Wellington's Chief Resilience Officer will be appointed by October 2015. Their job will be to engage diverse stakeholders, identify Wellington's resilience challenges, opportunities and priorities, develop and implement a 'whole of system' City Resilience Strategy over the following 2 years.

We participated in the World Conference on Disaster Risk Reduction in Sendai. Deputy Mayor Justin Lester and Chief Asset Officer Anthony Wilson joined New Zealand's official delegation to Sendai in March. Delegates from 190 countries negotiated a new global framework to reduce risks from disasters and make communities safer. New Zealand's expertise in engineering and research in this

area is internationally recognised. In addition to applying best practice and lessons learned elsewhere to make Wellington safer and more resilient, this is also an opportunity for Wellington firms and researchers.

We produced regional greenhouse inventories. The Council partnered with other councils in the Wellington Region to produce greenhouse gas inventories from 2000/01 to 2012/13.

We are consulting with the community about Island Bay seawall. The Council is investigating design options for the Island Bay seawall and surrounding areas and we have worked with the local community on possible solutions. The options development took into account long-term sea level rise projections and government guidance for managing climate change impacts. A final solution for the Island Bay seawall will be determined through a South Coast Resilience Strategy, scheduled to be completed in 2015/16.

We supported Warm-Up New Zealand: Healthy Homes. The Council's partner, the Sustainability Trust, completed 265 insulation retrofits for low-income households in Wellington, supported by funding from various other organisations, including the Council. Almost 1,000 low-income households have received Council funding support for insulation retrofits since 2010/11.

We supported the Home Energy Saver programme. Over 500 Wellington households received free home sustainability assessments as part of our Home Energy Saver programme. The Council's new service provider, the Sustainability Trust, is now offering tablet-based assessments, improving data analysis and the overall efficiency of the programme. Households are also offered partially subsidised LED lighting.

We are a smart energy capital - the following projects were undertaken in the past year:

- the installation of solar PV arrays on 16 Wellington schools, in partnership with Genesis Energy
- year 2 of the Smart Energy Challenge. Five teams were selected to be in the Challenge, with three teams now successfully launched or close to launching. This includes a car sharing company that provides electric vehicles, an electric bike hiring company who ran a successful crowd-funding campaign, and a cycling-based delivery company.

- The Wellington Smart Buildings Programme, which targets Wellington’s commercial office building sector and aims to reduce energy consumption in participating buildings by a minimum of 10% after 12 months. The programme is a partnership between the Council, EECA, Microsoft and the Wellington property sector.

We worked towards securing resource consent for stage 4 of the Southern Landfill. We reviewed the current landfill capacity and the proposed Stage 4 extension. As a result of this, we have modified the design of the extension, and have been able to defer the commissioning date and reduce the capital expenditure required for the new stage. We now intend to secure consents for Stage 4 in 2016/17.

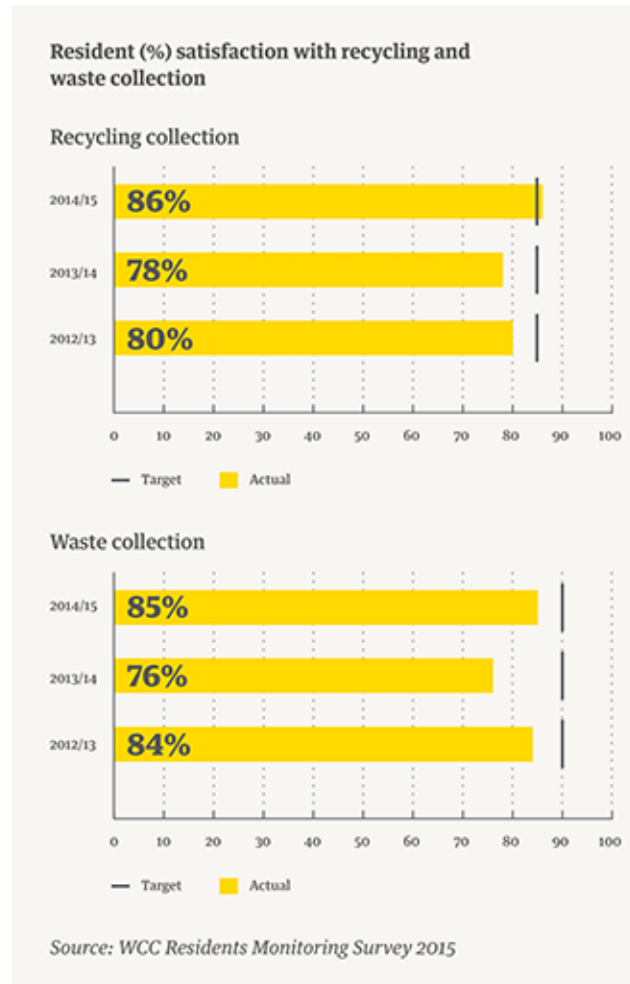
Unique emissions factor for Southern Landfill. After a significant effort over the last 2 years around our application for a Unique Emissions Factor (UEF) under the NZ Emissions Trading Scheme, we have been successful in achieving a UEF of 0.82. This reduced our carbon liability for the 2014 calendar by 37% compared with the default emissions factor. We will continue to look for ways to improve this, including looking at our gas collection, how we calculate our theoretical methane emissions and how the next stage of the landfill should be developed. We will also focus on our carbon purchasing strategies, as how and when we purchase carbon units will have a huge impact on how we manage future price increases for the landfill.

We supported a national food waste prevention project. Food waste is becoming an increasingly popular topic of discussion internationally, and here in Wellington, we try to divert it from landfill by using initiatives like our Kai to Compost service. Regionally, a joint project involving the Wellington region’s nine councils identified organic waste as a key area to manage. A project was designed to better understand the issue of household food waste and this was signed off by the Council’s steering committee. A national promotional campaign was also launched in March 2015, designed to publicise the results of this research and raise public awareness. The project team is developing and piloting resources and tools to support councils, community groups, environment centres and other waste champions to promote food waste minimisation, and this will be an on-going focus for the next 3 years.

HOW WE PERFORMED

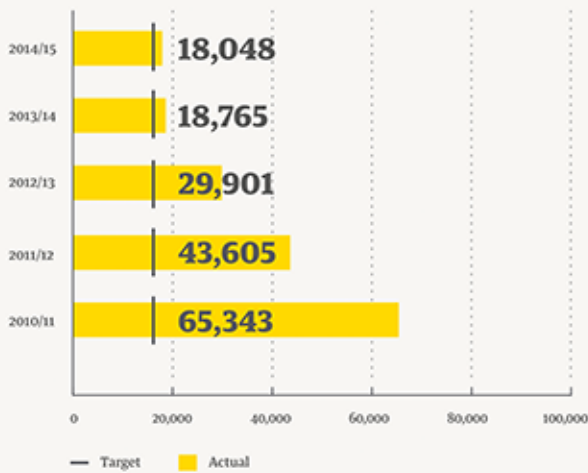
The services in this activity are well used by residents, who are satisfied with the services we provide. Efforts to reduce our environmental footprint continue, with high use of recycling services, and a focus on renewable energy generation and waste mitigation.

We measure how well we provide, and encourage the use of, recycling services to divert valuable material from the waste stream

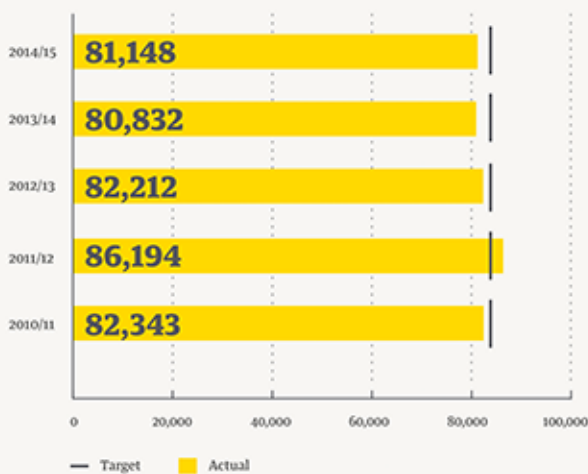


Waste diverted from landfill and total waste to landfill (tonnes)

Diverted material



Total waste to landfill

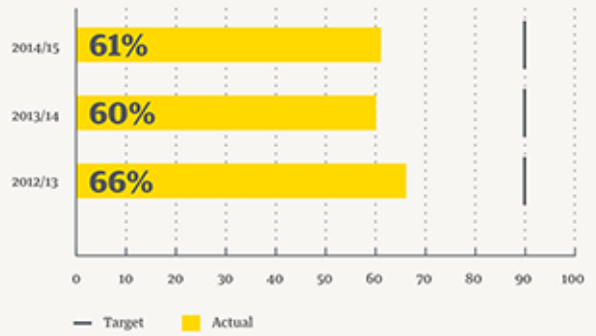


Source: WCC City Networks

Waste diverted from the landfill includes kerbside recycling, green waste, hazardous waste, waste diverted through our Kai to Compost initiative, waste transferred to the recycle shop for resale, scrap metal and contaminated soil. In past years, contaminated soil has comprised a significant proportion of the total waste diverted from the landfill. For example, in 2010/11, this comprised 71%, or 46,000 of a 65,000 total. From 2011/12, we stopped including contaminated soil as diverted material, as we did not consider it a diverted waste stream. This has resulted in the quantity of diverted material decreasing.

We will look at restating this measure to explicitly exclude contaminated soil in the 2016/17 Annual Plan.

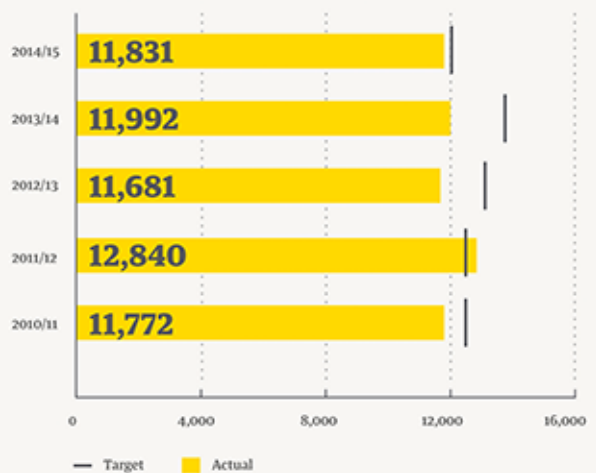
Residents (%) weekly usage of kerbside recycling collection service



Source: WCC Residents Monitoring Survey 2015

This year 61% of residents used kerbside recycling weekly, and 31% used it fortnightly. This measure has been updated in the LTP 2015/25 to measure residents' weekly, fortnightly, and monthly use of recycling services. Based on this measure, 91% of residents use recycling services fortnightly.

Kerbside recycling collected (tonnes)



Source: WCC City Networks

We measure how efficiently we dispose of waste and its impact on the environment

Energy sourced from the Southern Landfill

Result: 7.6GWh (Target: 8GWh. 2013/14: 7.0GWh; 2012/13: 5.2GWh; 2011/12: 8.3GWh; 2010/11: 7.4GWh).

Source: Nova Energy

Residents (%) agreement that waste management services provide good value for money

Result: 82% (Target: 85%. 2013/14: 80%; 2012/13: 80%).

Source: WCC Residents Monitoring Survey 2015

new base year (2014/15) and new emissions reduction target will be agreed.

Source: WCC Our Living City

We measure energy use at Council sites

WCC corporate energy use (electricity and natural gas)

PROPERTIES	TARGET	RESULT	EXPLANATION
WCC general (now includes all gas and large electricity sites)	Decrease from previous year (18,454,850 kwh)	20,660,224	Variance is the result of City Shaper transferring from Main CCOs to WCC General. If 2013/14 results were normalised to reflect this change, both performance measures would have variances of less than 5%.
WCC pools and recreation facilities	Decrease from previous year (18,446,633 kwh)	19,320,398	The reopening of the expanded Keith Spry pool and Wellington Regional Aquatic Center heating plant problems led to this result slightly exceeding target.
Main CCOs	Decrease from previous year (9,866,969 kwh)	7,204,428	See WCC general explanation.

Source: WCC Energy Management

Number of carbon credits generated from Council reserves per annum

Result: 74,643 (Target: 5,000. 2013/14: 30,913).

During the year the Council received 74,643 units as part of its annual allocation of units for post-1989 forests placed either in the Emissions Trading Scheme or the Permanent Forest Sink Initiative.

The target of 5,000 was set as a default. When field measurements were done, we realised that we generate more carbon credits than anticipated. We are looking at updating this target in future years.

Source: New Zealand Emission Unit Register account

We measure the reduction of the Council's environmental footprint

WCC Corporate greenhouse gas emissions (tonnes CO₂-e)

Result: n/a (Target: Compared to 2003, reduce emissions 40% by 2020 and 80% by 2050).

This year we began the process for the Council to become CEMARS certified. CEMARS certification (Certified Emissions Measurement and Reduction Scheme) will allow the Council to measure its greenhouse gas emissions, put in place plans to reduce them and have both of these steps independently certified.

The audit and verification process for the Council's 2014/15 corporate emissions will be complete by October 2015. In order to achieve CEMARS certification, the Council will need to complete an emissions reduction plan for the organisation. Through the emissions reduction plan, a

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.2.1 Waste Minimisation, Disposal and Recycling Management¹

Expenditure	12,663	12,802	139	11,292
Revenue	(13,308)	(12,926)	382	(12,195)
Net Expenditure	(645)	(124)	521	(903)

2.2.2 Closed Landfills Aftercare

Expenditure	368	404	36	(289)
Revenue	-	-	-	-
Net Expenditure	368	404	36	(289)

2.2.3 Energy Efficiency and Conservation

Expenditure	-	-	-	-
Revenue	-	-	-	-
Net Expenditure	-	-	-	-

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.2.1 Waste Minimisation, Disposal and Recycling Management²

Expenditure	781	918	137	339
Unspent portion of budget to be carried forward	n/a	60		n/a

- Under budget due to higher than budgeted rubbish bag sales and increased revenue from waste minimisation activities.
- Budget includes \$202,000 carried forward from the 2013/14 year for the Stage 4 Extension of the Southern Landfill.

2.3

Water

Wai

Clean and safe water is essential for residents' quality of life and wellbeing.

WHAT WE DO

These services are delivered by Wellington Water and include:

- ensuring high quality water is available at all times for drinking and other household and business uses
- maintaining 80 reservoirs, 34 pumping stations, 8,000 hydrants and 1,250km of pipes.

WHAT WE ACHIEVED

We checked the seismic resilience of water reservoirs, pump stations, telemetry systems and critical pipeline fittings, along with strengthening the Maldive, Maupuia and Linden reservoirs. In the last year we worked with Wellington Water to install 12 new 25,000 litre emergency water tanks, two of which replaced older damaged tanks. There are now 35 emergency water tanks at 31 locations in suburbs around Wellington.

We developed a programme of activities to improve water network resilience. Emergency preparedness efforts continued, including installing auto-shut valves in the Karori and Broadmeadows reservoirs and the ongoing seismic strengthening of the Newlands and Linden reservoirs. These reservoirs are being strengthened in order to enhance water retention performance after a significant seismic event.

We developed a map with our GIS team for our website, which shows the location of emergency water tanks in suburbs around Wellington.

We upgraded the network in Cave Road, Houghton Bay Road and The Esplanade in order to meet firefighting standards.

We constructed a new reservoir in Melrose, as the existing reservoir was considered to present an unacceptable level of risk in a significant seismic event.

We renewed approximately 6km of water mains including service pipes to properties.

We upgraded Karori pump station and began work upgrading the Lyndhurst Road pump station.

HOW WE PERFORMED

Our water supply is of very good quality, outages are rare and services are delivered to a high standard. This year we complied with all relevant water standards, and individual and collective water consumption levels did not exceed target.

We measure the quality of water supplied to residents

Compliance with Drinking Water Standards for New Zealand 2005

Compliance was achieved with the NZ drinking water standards and all 11 zones of Wellington City's water supply zones were graded A1. (Target: Achieve compliance. 2013/14: Achieved).

Source: Wellington Water

Residents (%) agreement that water services provide good value for money

Result: 83% (Target: 90%. 2013/14: 77%; 2012/13: 81%).

Source: WCC Residents Monitoring Survey 2015

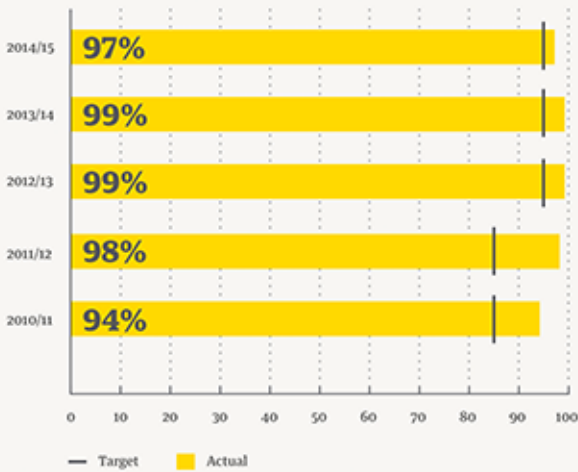
Customer complaints regarding water quality (taste and odour)

Result: 145 complaints (Target: fewer than 200. 2013/14: 196; 2012/13: 165; 2011/12: 202; 2010/11: 289).

This year there has been a significant drop in the number of complaints received. In past years the majority of complaints have been linked to the potable water source changing the taste of the water. The form of water source used is linked to weather, so we have only a limited capacity to influence the result for this measure.

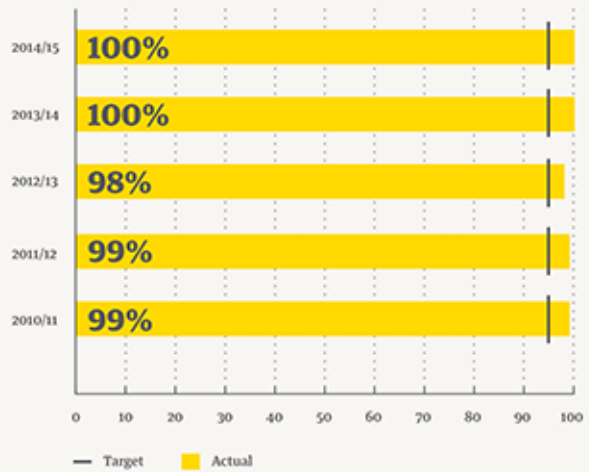
Source: Wellington Water

Customer satisfaction (%) with water quality and network service



Source: Wellington Water

Response time to water service request (%) within one hour of notification



Source: Wellington Water

The number of service requests in this category for 2014/15 was 809, and in 2013/14 it was 819.

We measure the performance of services that ensure security of supply

Water pressure

Result: 96% of properties had appropriate water pressure, i.e. minimum of 250kPa (Target 97%. 2013/14: 96%; 2012/13: 96%; 2011/12: 96%; 2010/11: 96%).

Source: Wellington Water

Fire hydrants

Result: 94% of fire hydrants tested met New Zealand Fire Service Code of Practice for firefighting water supply requirements (Target: 95%. 2013/14: 99%; 2012/13: 100%; 2011/12: 100%).

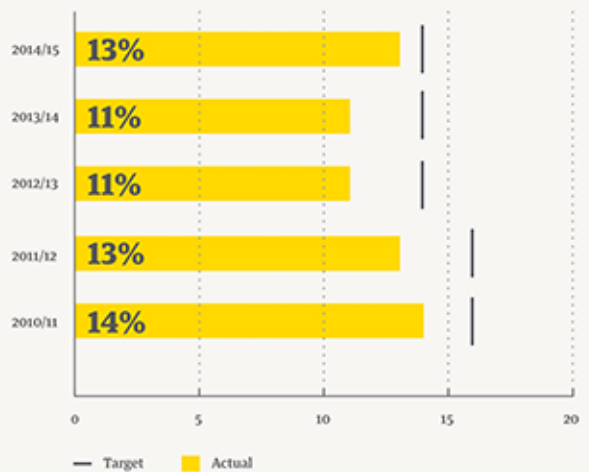
Source: Wellington Water

Water distribution network - quality grading

Result: All parts of the network retained a grading of 'b' based on the Ministry of Health quality grading (Target: 'a' to 'b' grading).

Source: Wellington Water

Unaccounted for water (%) from the network



Source: Wellington Water

Residential water consumption (per person per day)

Result: 273 litres per person per day (Target: 287 litres per person per day. 2013/14: 264; 2012/13: 288; 2011/12: 282; 2010/11: 297).

Source: Wellington Water

Total city water consumption during the year

Result: 26.6 billion litres (Target: less than 30 billion litres. 2013/14: 26.4; 2012/13: 26.6).

Source: Wellington Water

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.3.1 Water Network¹

Expenditure	22,798	25,738	2,940	24,260
Revenue	(1,012)	(33)	979	(1,151)
Net Expenditure	21,786	25,705	3,919	23,109

2.3.2 Water Collection and Treatment

Expenditure	14,318	14,174	(144)	13,804
Revenue	(3)	-	3	(3)
Net Expenditure	14,315	14,174	(141)	13,801

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.3.1 Water Network²

Expenditure	13,266	13,003	(263)	10,984
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Under budget due to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.
2. Budget includes \$710,000 carried forward from the 2013/14 year for several renewals projects. Over budget as a result of a higher level of reactive renewals and the Owen Street water main renewal being completed ahead of schedule.

2.4

Wastewater

Parawai

Maintaining public health and safety and having clean waterways is essential to the city's environmental wellbeing.

WHAT WE DO

These services are delivered by Wellington Water and include providing and monitoring:

- the city's sewage collection, treatment and disposal in line with resource consent conditions
- we monitor the performance of Wellington Water.

WHAT WE ACHIEVED

We reviewed the Trade Waste and Transportation of Waste Bylaws.

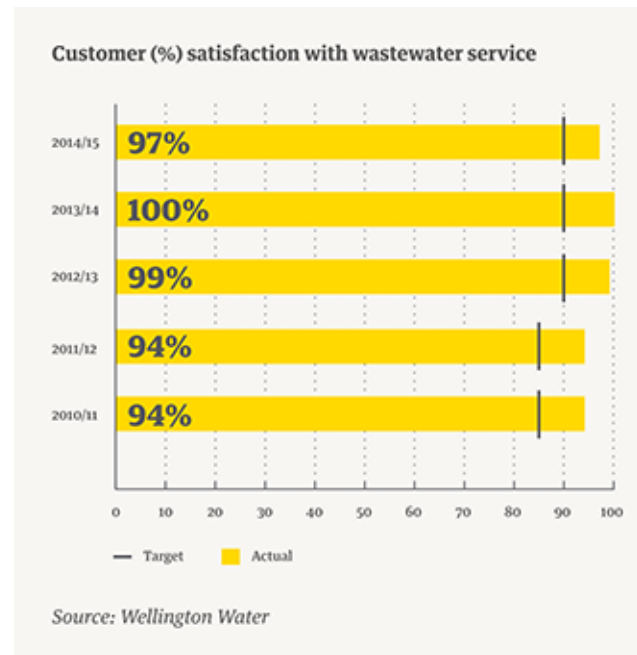
We progressed a pilot programme to investigate and evaluate how private drains contribute to wastewater overflows. An inflow and infiltration survey was undertaken in Hataitai, which identified 232 locations with one or more faults out of the 1,596 locations surveyed. These identified faults were categorised using risk assessment with a grading of 'High', 'Medium' and 'Low'. An action plan will be put in place to address the faults identified. From this survey it is evident that faults in private drains have an influence in contributing to inflow and infiltration to the wastewater network.

We reduced sewage pollution in three priority catchments. Pollution investigations have been on-going in catchments which have exceeded the water quality thresholds. These investigations have identified some faults that have been remedied, resulting in minor improvements in water quality in certain catchments. Our efforts to improve and maintain the water quality of catchments in Wellington are ongoing.

HOW WE PERFORMED

Our wastewater network is of a high quality and customers continue to be very satisfied with the services we provide. We continue to work on mitigating freshwater contamination and our sewage network remains fully compliant with its resource consent.

We measure the standard of wastewater services



Response time to service requests (%) within one hour of notification

Result: 99% of requests were responded to within one hour of notification (Target: 95%. 2013/14: 95%; 2012/13: 67%). In 2014/15, there were 791 calls in this category and in 2013/14, 894 service requests were received.

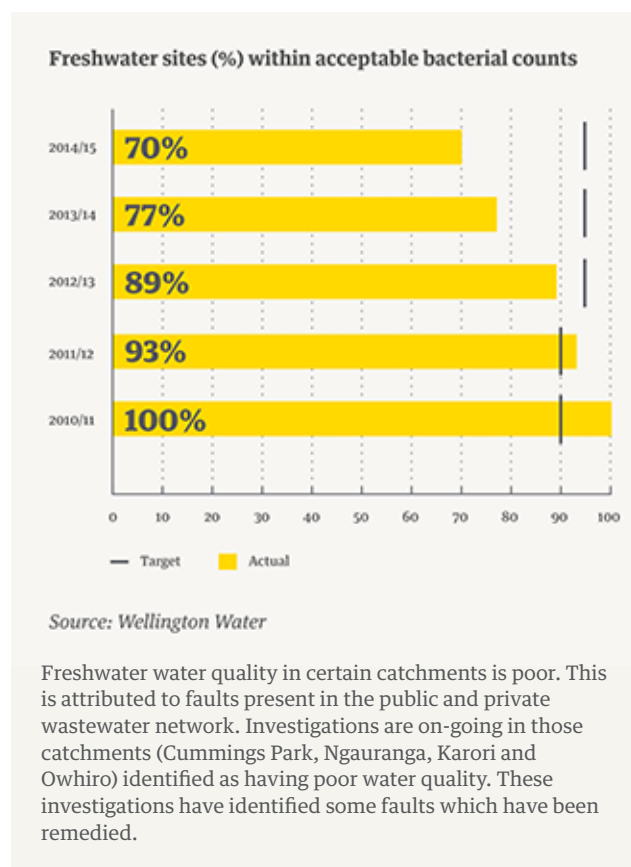
Source: Wellington Water

Residents (%) who agree wastewater services provide good value for money

Result: 78% (Target: 75%. 2013/14: 73%; 2012/13: 79%).

Source: WCC Residents Monitoring Survey 2015

We measure the impact of wastewater on the environment



Sewage network - resource consent compliance

Result: non-compliant (Target: 100% compliance. 2013/14: not-compliant; 2012/13: 100%; 2011/12: 100%).⁴

This year we expect to receive a single non-compliant assessment of resource-consent conditions. Sampling of the Karori Stream downstream of the Western Wastewater Treatment Plant is required during high-rainfall events that raise plant inflows and discharges. However, heavy or sustained rainfall also makes collecting samples from this site a significant safety risk for personnel. Therefore, while this measure has not been achieved fully, this is due to overriding health and safety factors that are outside of our control. We are currently working with the consent manager, GWRC, to identify an appropriate solution.

Source: Wellington Water

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.4.1 Sewage Collection and Disposal Network¹

Expenditure	19,348	18,767	(581)	17,886
Revenue	(986)	(571)	415	(1,859)
Net Expenditure	18,362	18,196	(166)	16,027

2.4.2 Sewage Treatment

Expenditure	21,333	22,837	1,504	21,683
Revenue	(1,833)	(656)	1,177	(1,041)
Net Expenditure	19,500	22,181	2,681	20,642

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.4.1 Sewage Collection and Disposal Network²

Expenditure	7,959	7,745	(214)	7,924
Unspent portion of budget to be carried forward	n/a	-	-	n/a

- Under budget due to savings wastewater treatment due to reduced flows through Moa Point and savings on electricity.
- Over budget due to a late urgent renewal of the sewer interceptor in Tully Street.

⁴ The same matter that caused a non-compliant result in 2014/15 also resulted in a non-compliant assessment for 2013/14. This was not reported in our 2013/14 Annual Report, as we were not aware of the breach of consent condition at the time of publication. This result has now been updated.

2.5

Stormwater

Wai-ua

The stormwater network keeps people and property safe from flooding.

WHAT WE DO

These services are delivered by Wellington Water and include:

- maintain, renew and upgrade the stormwater network to protect flooding.

WHAT WE ACHIEVED

The development of Integrated Catchment Management Plans (ICMP) for the city is underway. We are currently in Stage 2 of this project, which aims to prepare detailed management plans to meet the levels of service required for the city's stormwater activities, identify management options to minimise catchment issues and determine preferred remedial methods for issues identified. Five catchments have been identified for the development of the first set of ICMPs. These were selected on the basis of the effects of flooding and contamination of the coastal receiving environments. Among these five catchments, the first ICMP is being developed for the Lambton Harbour catchment. The ICMP developed will allow Regional Plans or other catchment management requirements to be added over time. These plans will be prepared as part of an on-going water management partnership between the Wellington City Council, Greater Wellington Regional Council and the community.

HOW WE PERFORMED

Overall, performance is at a high level. Residents continue to be highly satisfied with the services we provide, we are responsive to customer requests and we have maintained resource consent compliance. While flooding incidents have been recorded, these often results from extreme weather events outside of our control.

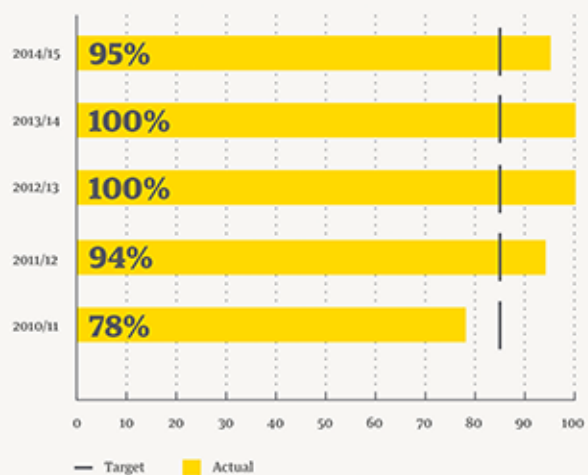
We measure the standard of the stormwater service

Residents (%) who agree stormwater services provide good value for money

Result: 71% (Target: 75%. 2013/14: 69%; 2012/13: 69%).

Source: WCC Residents Monitoring Survey 2015

Customer (%) satisfaction with stormwater network service



Source: Wellington Water

Response time to service requests (%) within one hour of notification

Result: 99% (Target: 95%. 2013/14: 98%; 2012/13: 77%). In 2014/15, 324 calls were received in this category, while in 2013/14, 253 calls were received.

Source: Wellington Water

Number of buildings reported to have been flooded as a result of a less than 1-in-50-year rain event

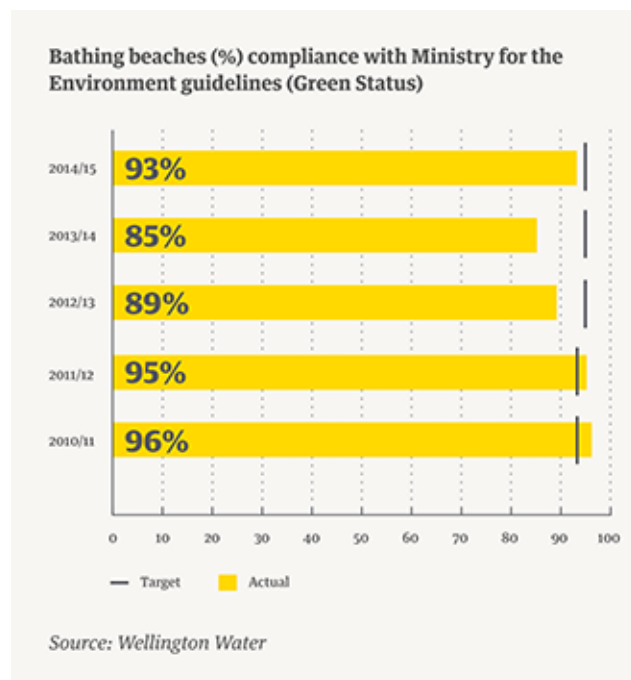
Result: 22 properties flooded (Target: 0. 2013/14: 5; 2012/13: 49).

This year Wellington experienced several extreme weather events, including three greater than 1-in-50-year rain events. The severity of these events means that our flood mitigation efforts are not always sufficient to prevent instances of flooding.

The affected properties were a mixture of residential and commercial properties in mainly Kilbirnie, Johnsonville, Basin Reserve/Lower Adelaide Road and Tawa. Funds have been allocated to alleviate flooding problems depending on the solution found and agreed with the property owner.

Source: Wellington Water

We understand the impact of stormwater on the environment



Stormwater resource consent compliance (includes the monitoring of overflows, stormwater outfall discharge and coastal water quality)

Stormwater resource consent compliance has been achieved. (Target: Achieve compliance. 2013/14: Achieved).

Source: Wellington Water

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.5.1 Stormwater Management¹

Expenditure	16,526	18,777	2,251	17,503
Revenue	(922)	(129)	793	(1,852)
Net Expenditure	15,604	18,648	3,044	15,651

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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2.5.1 Stormwater Management²

Expenditure	4,821	4,255	(566)	4,193
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Under budget due to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.
2. Over budget due to completion of projects ahead of schedule, including the completion of Stage 3 of the Tasman Street stormwater renewal.

2.6

Conservation attractions

Ngā painga kukume Papa Atawha

Nature is one of Wellington's biggest attractions.

WHAT WE DO

We support the Wellington Zoo and Zealandia with funding. We are also supporting the Zoo's upgrade programme, including the ongoing expansion of the *Meet the Locals Exhibition*. These facilities play important conservation roles and protect native as well as exotic flora and fauna. They inform and educate, attract visitors and their existence creates economic incentives for the city's environment to be protected and enhanced. We also play a monitoring role, by annually reporting on the performance of these organisations.

WHAT WE ACHIEVED

We supported the Wellington Zoo, which celebrated very good visitation numbers. The Zoo had 225,927 visitors during the last year. It also opened the Grassland Cats Habitat in September 2014, exceeded its target of volunteer hours by 140% and was a major contributor to the Sustainable Council Value Chain project.

Meet the Locals. We have completed stages 1 and 2 of this project and the opening is planned for October 2015.

Annual visitor numbers to Zealandia exceeded target by 6,143 visitors, totalling 97,543. These increased numbers are an indicator of how Zealandia is engaging with visitors, students, researchers and volunteers to grow conservation understanding and knowledge.

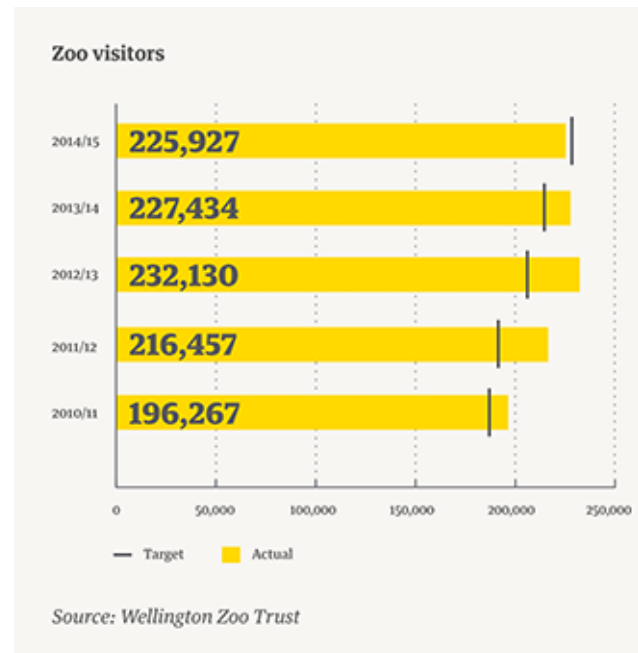
Zealandia successfully contributed to conservation efforts and we supported them. The first known successful Tieke (Saddleback) nest outside the sanctuary was discovered and chicks were banded before they fledged to enable later monitoring of survival and movements. Zealandia banded the 500th Kakariki in the Sanctuary during March and note that increasing sightings of Kakariki confirm this species is spreading throughout Wellington.

HOW WE PERFORMED

Performance has been excellent this year with record visitor numbers at Zealandia and consistently high levels

at the Wellington Zoo. This year we also exceeded our target for education programme attendees.

We measure the success of our investments in promoting the city



Zealandia - education programme attendees

Result: 6,768 (Target: 5,281. 2013/14: 8,048; 2012/13: 7,645; 2011/12: 6,556; 2010/11: 7,068).

Source: Zealandia

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
2.6.1	Conservation Visitor Attractions			
Expenditure	6,104	6,126	22	5,962
Revenue	-	-	-	-
Net Expenditure	6,104	6,126	22	5,962

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
2.6.1	Conservation Visitor Attractions¹			
Expenditure	2,677	1,177	(1,500)	1,203
Unspent portion of budget to be carried forward	n/a	1,483	-	n/a

1. Budget includes \$1.87m carried forward from the 2013/14 year for the construction and completion of the 'Meet the Locals' project at Wellington Zoo. The project is due for completion by the end of 2015.

3

Economic Development Whanaketanga ōhanga

The Council attracts and supports business activity, markets Wellington to tourists from New Zealand and overseas, owns and operates performance venues and conference facilities, promotes business, education and cultural links through sister city relationships and provides free weekend parking in the Central Business District.

We fund these activities to attract and retain talent, grow the tourism spend and economic returns from events and increase inward investment and exports.

These activities make Wellington a more vibrant place to live and improve residents' quality of life, prosperity, identity and the opportunities available to them.

OUR ECONOMIC DEVELOPMENT OBJECTIVES

Tourism spend

- We support the arts and cultural events that contribute to Wellington's economy and create jobs
- We host major sporting events. This year we hosted events including two World Cups, an All Black test and the Rugby League Four Nations Final
- We've won the rights to host a number of international rugby matches over the next two years and will support the New Zealand Festival in presenting the Royal Edinburgh Military Tattoo.

Investment attraction / digital exports

- We established the Wellington Regional Economic Development Agency (WREDA) with GWRC
- We supported a range of technology events and activities to foster future industry growth.

City vibrancy

- We hosted major sporting events, including two World Cups, along with international cricket, an All Black test, and the final of the Rugby League Four Nations. Around 84,000 people attended the Cricket World Cup matches
- WoW® was again a success, with extra shows added making for three consecutive weekends of performances
- The inaugural CubaDupa festival was held with a broad range of artistic performances and thousands of people being attracted to the city over two days in March.

OUR ECONOMIC DEVELOPMENT ACTIVITIES CONTRIBUTE TO 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 do business and attract 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 and informing people and encouraging attendance at events.

A 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 New Zealand Festival and the International Rugby Sevens are world class and an integral part of our Dynamic central City.

Case study

ICC Cricket World Cup 2015

Wellington hosted four matches, including two sell-out games, with many of the world's best cricketers for the ICC Cricket World Cup in February and March.

The first Wellington-hosted match between New Zealand and England proved to be one of the fastest selling fixtures across the tournament. Overall, around 84,000 people attended the four matches at Wellington Regional Stadium, with over 30,000 of those coming from outside of Wellington and more than 10,000 international visitors to the city.

Our extensive city activation programme ensured that the cricket matches were surrounded with activities for visitors and supporters. Our goal was to make every game feel like a home game, no matter where people were from and reinforce Wellington's reputation as the 'coolest little capital in the world'. The Village Green at Civic Square ran throughout the tournament, including an artificial turf and a cricket pavilion. This space was the focal point for the non-Stadium city celebrations, with face painting, food stalls, a photo booth, backyard cricket and cultural and music performances in the lead-up to each of the games.

The Village Green concept was also complemented by a number of Urban Design initiatives in Civic Square at the same time: the pop-up beach, outdoor bean bags, and the living green wall. The combined result was that the Village Green activated Civic Square as a popular and well-used outdoor space in the heart of the city over the period of the tournament and received very positive feedback.

Additionally, we held a double-header set of twilight concerts at Frank Kitts Park, with a food market on-site. The English Cricket Team was officially welcomed with a pōwhiri at Te Wharewaka on the waterfront. We ran the Cadbury Films by Starlight series over four Saturday evenings with a selection of free evening films at the Village Green. There were also bands, musicians, cultural performances on the city streets in the days leading up to each match, a Black Caps autograph signing at the Village Green and a fireworks display on 20 March, celebrating the quarter final being played the following day.

The economic impact report following the Cricket World Cup showed that the Wellington economy benefited significantly, with direct spend by out of town visitors of \$35 million an increase in GDP in the city of \$40 million and 700 additional jobs created as a result of the tournament.



3.1

City promotions and business support

Ngā whakatairanga tāone me ngā āwhina pakihi

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

WHAT WE DO

Wellington's economic prosperity is closely linked to residents' quality of life. Prosperity provides the resources for businesses, the Council and individuals, to contribute to the vibrancy of the city and invest in its future development.

Our promotions and business support activities are closely linked to Grow Wellington's work. Working with other institutions in the region ensures that we use our resources effectively. Our activities include:

- tourism promotions (Positively Wellington Tourism)
- events attraction and support
- convention venues (Positively Wellington Venues)
- retail support (free weekend parking)
- regional and external relations
- grants and creative workforce
- attracting businesses and talent to Wellington
- sustaining city vibrancy.

WHAT WE ACHIEVED

We supported arts and cultural events that contributed to Wellington's economy and created jobs. WOW was again a success, with extra shows added, resulting in three consecutive weekends of performances. Wellington hosted the Four Nations Rugby League final in November and the sold-out Homegrown festival in March. The inaugural CubaDupa festival was also held in March, with a broad range of artistic performances attracting thousands of people to the city over 2 days.

We hosted major sporting events, including two World Cups. Wellington hosted four matches for the ICC Cricket World Cup in February and March. Around 84,000 people attended the four matches at Wellington Regional Stadium, with over 30,000 of those coming from outside of Wellington and more than 10,000 international visitors to the city. The economic impact assessment concluded this gave the Wellington economy a significant boost, with direct spend by out of town visitors of \$35 million and an

increase in GDP in the city by \$40 million. The city also successfully hosted nine matches for the FIFA Under-20s World Cup in May and June.

We won the rights to host future events. Wellington has won the rights to host a number of international rugby matches over the next two years, including the second test between the All Blacks and British and Irish Lions in July 2017. Other major upcoming events include the Royal Edinburgh Military Tattoo presented by the New Zealand Festival, which will return to Wellington in February 2016.

Our city played host to strong visitor numbers.

Commercial guest nights for Wellington grew by 6.4% and had their highest 12 months on record (surpassing Auckland, Waikato, Hawkes Bay, Canterbury and the national growth rates). International guest nights grew by 12% and Wellington's average length of stay has risen to 2.14 days. This is up from five years ago and is now surpassed nationally only by Queenstown/Central Otago and summer holiday destinations.

We continued to establish Business Improvement Districts (BIDS). Following the successful establishment of the BID in Miramar, we helped to get the BID in Khandallah up and running. BIDs (through pooling funds) enable projects targeted at improving the local economy to be undertaken to complement Council services.

We provided funding to foster economic growth. The Wellington Economic Initiative Development (WEID) fund completed its second year of providing funding to events and initiatives. We supported a wide range of projects through the fund, including the Cricket World Cup, the rebirth of the CubaDupa festival, the Jazz festival, the World War 1 Commemorations, planning for the Wellington Capital City 150th anniversary and the hosting of the World Water-skiing Championships.

We established WREDA, in partnership with GWRC. WREDA incorporates the former tourism, venues management, major event, and Destination Wellington activities of Wellington City Council, together with the activities of Grow Wellington. WREDA is 80% owned by Wellington City Council and 20% by GWRC (on behalf of the region).

The runway extension at Wellington Airport was advanced. Wellington International Airport Limited (WIAL) completed economic impact and route viability

assessments for a runway extension and we commissioned a peer review of this work. This work concluded that there is sufficient demand to support long haul services out of Wellington, with strong economic benefits regionally and nationally. The Mayoral forum (comprising all of the mayors from the Wellington region) agreed in principle to support regional funding towards the runway extension. WIAL continues to build the body of work required to apply for the resource consent and the business case for the extension. Council agreed to provide a further \$1.95 million to WIAL to complete this process, and this funding was matched by WIAL.

We continue to work towards delivering a convention centre to Wellington. There was strong support for this development through the LTP consultation process and we continue to explore options for the centre on the Cable Street site. We are currently working with Willis Bond, who have secured the site and will assess feasible options for incorporating a city-scale convention centre.

We supported the Basin Reserve Trust in developing a masterplan for the Basin Reserve. The masterplan was endorsed by the Council in April as the guiding document for the Basin Reserve redevelopment.

We made significant progress toward the establishment of a Wellington Technology Hub. A Technology Hub is one of the Council's Big 8 ideas and will contribute to economic growth for the city. During the year, we completed the business case, selected a partner and secured funding approvals through the WEID fund for the establishment of a Technology Hub. We aim to have the first stage up and running by October 2015.

We supported technology events and activities. Through the WEID fund, we supported the establishment of a Developers Academy, the first business accelerator for Youth Enterprise Alumni, the inaugural Open Source/ Open Society international conference, the establishment of CreativeHQ's innovative services offering for government and corporations and the boosting of the Summer of Tech activities. We also supported events including Ted-Ex, Ted-Ex Women, Web Developers Conference of NZ, Multicore World and Start-Up TelAviv.

We connected more people. Over the year, CBDFree wifi was expanded to include Pukeahu National War Memorial Park and access points were upgraded. Due to a change to the way it could be accessed, usage increased nearly 300% to 6,816,785 sessions over the year.

HOW WE PERFORMED

Our investments in economic development have been very successful. We had more people attending events, significantly more visitors coming to Wellington and more money being injected into the local economy.

We measure the success of our investments in promoting the city

International visitors - guest nights

International visitor room nights increased to 769,714 in the year to April 2015, an increase of 12%. (Target: increase international visitor nights by 2% from 2013/14; 2013/14: 686,692; 2012/13: 667,760).

This year we hosted a number of notable international events, including the Cricket World Cup and the FIFA Under-20s World Cup, leading to a significant increase in the number of international visitor room nights.

Source: Statistics New Zealand

Average length of stay - international and domestic visitors

Result: 2.14 nights (Target: 2 nights. 2013/14: 2.12; 2012/13: 2.04; 2011/12: 2.05).⁵

Source: Statistics New Zealand

New Zealand market visitors

Domestic visitor room nights increased to 1,426,141 in the year to April 2015, an increase of 2.1% (Target: increase by 2% on previous year. 2013/14: 1,396,402; 2012/13: 1,373,613).

Source: Statistics New Zealand

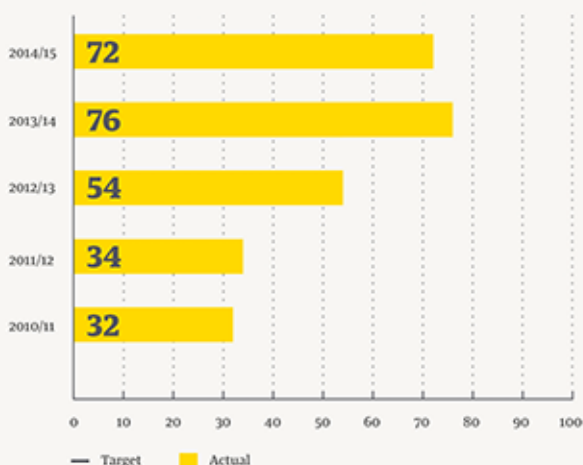
Positively Wellington Tourism - partnership funding

The Council's funding amounted to 46% of total revenue (Target: maintain the Councils' funding at less than 50% of total revenue. 2013/14: 50%; 2012/13: 49%; 2011/12: 48%).

Source: Positively Wellington Tourism (WREDA)

5 Previous results have been changed, as more up-to-date information is available.

Events/activities held with formal international partnership cities (in Wellington and overseas)



Source: WCC International Relations

There is no target for this measure.

We understand the reach of events and promotion activities

Wellington venues occupancy

Result: 1,008 hire days (Target: 951. 2013/14: 1,115; 2012/13: 953).⁶

Source: Positively Wellington Venues (WREDA)

Estimated attendance at WCC supported events

Result: 898,968 (Target: 400,000. 2013/14: 670,368; 2012/13: 549,128).

This year events such as the Hurricanes home Super Rugby final, CubaDupa Festival, Cricket World Cup, LUX light festival and other one-off events, have led to us significantly exceeding our target. We have set a new target of 500,000 for this measure in the 2015/25 LTP.

Source: WCC City Events

We measure the success of our investments in economic development

Residents' satisfaction (%) with WCC supported events and festivals

Result: 83% (Target 95%. 2013/14: 86%; 2012/13: 90%).

Source: WCC Residents Monitoring Survey 2015

Events Development Fund - ratio of spend to economic impact

Economic benefits outweighed costs by a ratio of 23:1 (Target 20:1. 2013/14: 23:1; 2012/13: 24:1).

This year we have seen high performance across many of our economic development measures, including the Events Development Fund. Events such as the Cricket World Cup, Rugby League Four Nations final, an extended World of Wearable Arts season, Lux festival, CubaDupa and a Hurricanes semi-final have led to a significant return on investment.

Source: WCC City Events

The proportion of grants funds successfully allocated (through milestones being met)

Result: 100% (Target 95%. 2013/14: n/a; 2012/13: 100%).

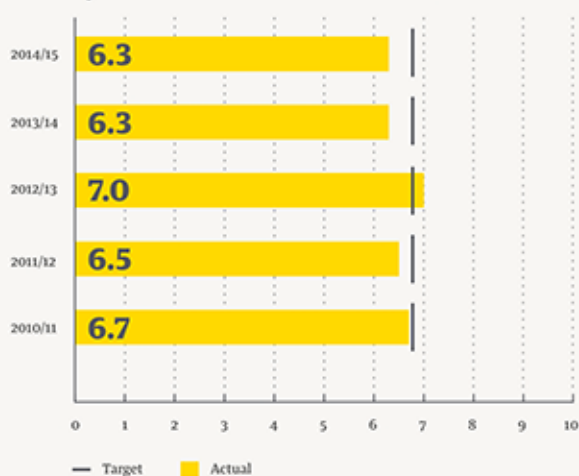
Source: WCC Community Networks

⁶ The 2014/15 figure is for the first three quarters of the year only, yet still exceeds target. Fourth quarter results are not available, as Wellington Venues Limited has been amalgamated into WREDA.

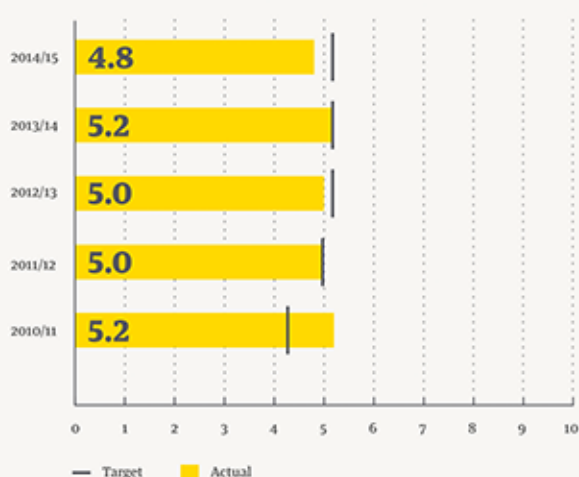
We measure the standard of parking provision

On-street car park turn-over rates (cars per day) - weekdays and weekends

Weekday



Weekend



Source: WCC Infrastructure

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
3.1.1 Tourism Promotion				
Expenditure	5,541	5,630	89	5,676
Revenue	-	-	-	-
Net Expenditure	5,541	5,630	89	5,676
3.1.2 Convention Venues¹				
Expenditure	23,037	17,763	(5,274)	25,201
Revenue	(15,012)	(14,035)	977	(21,936)
Net Expenditure	8,025	3,728	(4,297)	3,265
3.1.3 Retail Support (free weekend parking)				
Expenditure	1,452	1,449	(3)	1,327

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
Revenue	-	-	-	-
Net Expenditure	1,452	1,449	(3)	1,327
3.1.4 Grants and Creative Workforce				
Expenditure	1,112	1,262	150	1,201
Revenue	-	-	-	-
Net Expenditure	1,112	1,262	150	1,201
3.1.5 Events Attraction and Support²				
Expenditure	6,132	4,313	(1,819)	4,231
Revenue	(386)	-	386	(193)
Net Expenditure	5,746	4,313	(1,433)	4,038
3.1.6 Regional and External Relations³				
Expenditure	2,941	4,881	1,940	2,664
Revenue	(8)	-	8	(8)
Net Expenditure	2,933	4,881	1,948	2,656
3.1.7 Destination Wellington				
Expenditure	2,706	2,510	(196)	1,843
Revenue	-	-	-	-
Net Expenditure	2,706	2,510	(196)	1,843

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
3.1.2 Convention Venues⁴				
Expenditure	2,268	1,618	(650)	3,551
Unspent portion of budget to be carried forward	n/a	203	-	n/a

1. Under budget as revenue from activity was higher than expected.
2. Over budget due to additional spend on Events. The majority of the over-spend was approved by the Council on the 30th September, as part of the Funding for Nominated Events Paper.
3. Under budget in 2014/15 due to lower expenditure in the Wellington Economic Initiative Development Fund. This is primarily as a result of some approved initiatives being rescheduled to occur in subsequent financial years.
4. Budget includes \$480,000 carried forward from the 2013/14 year for renewal works on Positively Wellington Venues facilities. Over budget due to an increased capital programme agreed by the Council in September 2014 to allow for needed upgrades to the seating at the TSB arena.

4

Cultural wellbeing Oranga ahurea

The Council funds events and festivals, supports attractions such as Te Papa, the Carter Observatory, the city's galleries and museums and also supports community art and cultural activities.

The strength of Wellington's creative culture depends on people; the output of artists, writers, musicians, and dancers and on the expressiveness of Wellington's communities.

We fund these activities because they matter to the lives of individual Wellingtonians and to the community as a whole. They contribute to a diverse economy and build on Wellington's reputation as New Zealand's arts and culture capital. They also make the city a more vibrant place to live, help develop healthy and connected communities and improve residents' quality of life.

OUR CULTURAL WELLBEING OBJECTIVES

Sense of place and identity

- We have a shared identity and sense of place and we want to continue to support this strong sense of arts and culture. We also want the world to experience who we are and what Wellington has to offer. We host annual, bi-annual and seasonal events that showcase our identity and sense of place.

Diversity and openness

- Wellington is a city of diversity and is home to a strong arts and culture sector. We support and host a diverse range of arts and cultural events and festivals ranging from Diwali to WoW®. This diversity helps promote the open-for-business attitude that makes Wellington a place where talent wants to live, work and play.

Visitation

- Throughout the year our major events, exhibitions and festivals attract millions of visitors from all over New Zealand and the rest of the world.

Exposure to creativity and innovation

- Along with supporting innovation and creativity, we also want to develop and foster our local creative communities by supporting and funding artists and exhibitions. Through a number of our projects and programmes, we expose school children and the youth to the arts. We also support a range of technology events to foster future growth in this sector.

OUR CULTURAL WELLBEING ACTIVITIES CONTRIBUTE TO US BEING:

People-centred: They shape Wellington's sense of place and identity. They celebrate creativity, 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 and explore what is new and different. They connect the present with the past and future. Events and collaborations connect us with people, places and ideas here and abroad.

A dynamic central city: They enhance Wellington's vibrancy as a diverse city where people want to live work and play.

Case study

The Johnsonville mural

In late 2014 we supported community groups, schools and local organisations in Johnsonville to commission a mural for the side of the Countdown supermarket, which had a history of tagging. The mural steering group commissioned Wellington artist Sheyne Tuffery who had grown up in the area and was interested in exploring and referencing the history of the suburb in the mural. He worked with students from 11 local schools and the youth organisation, Challenge 2000, on this project.

Sheyne took inspiration from the Johnsonville Railway line, with each of the 13 panels that make up the 100-metre long mural representing a different section of a train. This was a playful way to connect each panel along the length of the wall, and to reflect the importance of the railway to the suburb. The students took part in workshops led by Sheyne and developed themes and ideas that were then woven together in a series of panels.

The Council supports a wide range of murals in Wellington City. As well as reducing tagging and graffiti, bringing communities together and brightening our public spaces, these murals provide a chance for artists to reflect the diversity of the city and our people. We also provide a mural toolkit and advice for anyone interested in commissioning a mural.



Case study

WW100 commemoration

Our WW100 Programme recognises and commemorates the sacrifices of Wellingtons during The Great War - World War 1.

We started the commemorations in 2014 with the Lest We Forget wall stories and projected images. These wall stories displayed images of ten soldiers, including one Māori Pioneer Battalion soldier, a nurse and one conscientious objector. These were pasted up, along with their personal stories, in places around the city near to where they lived, worked and went to school.

Our project continued with an outdoor multimedia show in October 2014 commemorating the significant role played by the Capital and its residents. Footage of the 10 troop ships that left Wellington on 16 October 1914 carrying more than 8,000 New Zealand soldiers (the main body of the New Zealand Expeditionary Force that fought in the First World War) was projected onto significant outdoor heritage sites around the city.

Over Anzac week in April 2015 we held an Anzac parade through the streets of Wellington to commemorate the centenary of the Gallipoli landings. Approximately 60,000 people turned out to watch military personnel, vintage war machinery, equipment, vehicles and a special fly-over of vintage World War I aircraft.

The following day around 40,000 people attended the Dawn Service at the newly opened National War Memorial Park, Pukeahu, at the top of Tory and Tasman streets. The day continued with the Citizens Wreath Laying Service at our newly renovated Cenotaph, an event attended by approximately 2,000 people.

Over the same week 852 individualised white crosses were placed on Salamanca Lawn in the Botanic Gardens to commemorate soldiers from the Wellington region killed in 1915.

Another highly regarded event was the WW1 Remembered, a light and sound show that ran for 8 nights at Pukeahu and attracted 50,000 people. It featured imagery from our shared military history projected onto the facades of the historic Dominion Museum and the Carillon.

The WW100 programme continues until 2019.



4.1

Arts and cultural activities

Ngā mahi toi me ngā ngohe ahure

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

WHAT WE DO

Our arts activities ensure Wellington builds on its reputation as New Zealand's arts and culture capital, by continuing to be home to top-class museums, art galleries, orchestras and dance and theatre companies. A strong arts and culture sector contributes to a diverse economy, a creative identity and connected communities, which is why we live here.

Our activities include:

- funding to Te Papa, Wellington Museum (formerly Museum of City and Sea), City Gallery, Capital E, the Cable Car Museum, Carter Observatory and Nairn Street Historic Cottage
- supporting events and cultural festivals
- provide fund grants to arts organisations
- manage the Toi Pōneke Arts Centre and the city's art collection
- fund cultural grants
- access to and support for community arts
- fund arts partnerships
- partnership with four other Councils in the region to provide support for regional arts, cultural and environmental organisations and activities.

WHAT WE ACHIEVED

We supported public art projects. This includes three Courtenay Place Park light box exhibitions and nine temporary public art projects, including *Miniature Hikes* by Kemi and Niko. We worked with the Wellington Sculpture Trust to realise the permanent artwork *Walk the Line* by Joe Sheehan and *Parking Day*. We also supported 69 projects throughout the year, with grants ranging from \$1,500 to \$12,000 within these four focus areas: the city as a hothouse for talent; Wellington as a region of confident identities; active and engaged people; and our creative future through technology. The Arts and Culture Fund provided support for projects and key partnerships through contract funding for key arts institutions in the city.

We supported regional projects through the Wellington Regional Amenities Fund. This year we contributed \$609,200 towards the \$950,200 distributed by the fund to the following organisations:

- the New Zealand Festival for a feasibility study
- Circa Theatre to support building redevelopment project
- Creative Capital Arts Trust (Fringe Festival)
- Mahara Gallery
- NZSO as part of WW1 commemorations
- Te Papa for 2015 Matariki Festival
- Toi Maori Arts Market
- Wellington LUX Festival Trust
- Orchestra Wellington for outreach and community development programmes
- Wellington Zoo and Zealandia for Nature Connections
- Wairarapa Arts Festival Trust as part of Kokomai Creative Festival
- Wellington Museums Trust (150 years 150 buses).

We support artists. We purchased nine artworks for the City Art Collection and in October, a new artist-in-residence programme in a waterfront studio was established in partnership with Massey University. South Australian artist Christian Thompson was the first recipient of this fellowship. Conservation treatment was carried out on 12 artworks. There were 12 City Art Collection works loaned for three external exhibitions, including to a regional gallery, and two loans for galleries in Wellington.

We also completed several significant mural projects, some of which were in partnership with schools or artist-led, including:

- *Paint Up 2014* with artist Chris Barrand in partnership with students from South Wellington Intermediate School
- three bus shelter murals, including the *Khandallah Bee Friendly* murals (on a bus shelter, two utility cabinets and an electricity substation) by artist Ellen Coup
- *Johnsonville Community Mural* by artist Sheyne Tuffery in partnership with school students on the façade of Countdown at Moorefield Road

- *Waituhi* 2015, a Matariki public art project by Wharehoka Smith
- a large-scale mural at 176-178 Victoria Street by artist David Brown.

We catered for youth. More than 8,000 young people participated in the 26th Artsplash Children’s Arts Festival.

We supported the Wellington Asia Residency Exchange programme. The exchange is a partnership with the Asia NZ Foundation. This year musician and composer Hiroyuki Yamamoto came to Wellington, hosted by the NZ School of Music. Wellington based artist Jade Townsend was selected as this year’s Red Gate Gallery resident in Beijing, China.

Toi Pōneke Arts Centre celebrated its 10-year anniversary. Toi Pōneke has supported artists in Wellington by providing space for thousands of art practitioners, over 300 exhibiting artists, and has run more than 150 exhibitions. Given this milestone, during the year we completed a review of Toi Pōneke Arts Centre and agreed to continue its services and important arts development role. The Council agreed that we would do further work investigating options to refresh the Centre’s services and improve its effectiveness in meeting current sector needs.

We supported our museums. We supported the first phase of the Museum of Wellington City and Sea’s (now Wellington Museum) upgrade plan. This phase will open up the attic of the Bond Store building, increasing the Museum’s exhibition space and improving the seismic resilience of this historic building. The Wellington Museums Trust’s institutions attracted almost 690,000 visitors, with City Gallery and the Museum of Wellington City and Sea visitation rates significantly above target.

Te Papa has had a record year, with over 1.5 million visitors through their doors, the third best year in their history. Acclaimed exhibitions have appealed to Wellingtonians of all ages, and brought record numbers of visitors to the capital. Exhibitions such as Gallipoli: The Scale of Our War, Air New Zealand: 75 Years, and Tyrannosaurs: Meet the Family, have offered the intelligent, immersive and fun experiences that Te Papa is known for. Matariki continues to be a highlight of Wellington’s calendar, with a full programme of community events at Te Papa.

Our on-going support ensured the success of events. Key events held during the year included Capital Christmas, city activations for the ICC Cricket World Cup and the Summer City Programme. Capital Christmas was very successful, with a city-wide programme of entertainment creating a festive spirit leading up to Christmas. We ran the Santa Parade and a large-scale city dressing programme, which included installing Christmas trees in Midland Park and Courtenay Park, decorating the Railway Station front columns, and dressing the Cable Car in wrapping paper.

Other events included the biennial South East Asia Night Market, which trialled a two night event instead of one. It was a great success despite poor weather, with record crowds enjoying the food and cultural performances. There were also new collaborations within existing events, such as those with Massey Design School for Meridian Gardens Magic, Go Wellington and NZ Film Commission for Pasifika and the City Gallery for Matariki. Overall, it was an excellent year of events, with national artists of significance performing at Pasifika, Matariki, Waitangi Day and Meridian Gardens Magic. We also sponsored other community events, including NZCT Dragon boat Festival, the Newtown Festival and Culture Kicks.

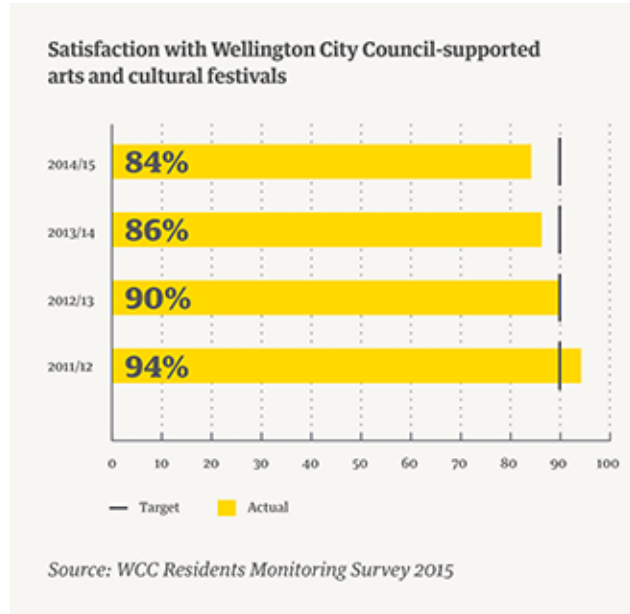
Summer City was a great success. Summer City had over 80 events running throughout the city over the summer. One of this year’s highlights was Meridian Gardens Magic, which had record attendee numbers and not a single performance cancelled, assisted by the wonderful summer weather. Meridian Gardens Magic has been shortlisted for the NZAEP Best Established Community Event, to be announced in July. City activations for Cricket World Cup included the transformation of Civic Square into a ‘Village Green’. This included an artificial turf that created an opportunity for endless friendly games, a pavilion to host some of Wellington’s finest performers and roving music, cultural, and cricket-related acts. The fan trails were lively and well supported.

We commemorated the 100th anniversary of World War 1 with a range of activities over the year, including major commemorations for Anzac Week. Thousands of spectators watched the Street Parade on 24 April, which included 16 vintage World War 1 vehicles from Sir Peter Jackson’s personal collection and an original American Field Service ambulance. The spectacular light and sound show, WW1 Remembered: A Light and Sound Show, featured imagery from our military history projected onto the facades of the former Dominion Museum and the Carillon.

HOW WE PERFORMED

The numbers of people attending festivals and events was high and their contribution to the city’s economy is increasing. This year, Te Papa recorded extremely high visitor numbers, we continued to support cultural activities and residents remained satisfied with the services we provide.

We measure the effectiveness of our arts and culture support activities



User satisfaction (%) with Toi Pōneke facilities and services

Result: 91% of users were satisfied with Toi Pōneke facilities and services (Target: 90%. 2013/14: 83%; 2012/13: 82%; 2011/12: 86%).

Source: Toi Pōneke Customer Satisfaction Survey⁷

Cultural grants - % of applicants who are satisfied with support and advice received from the Council

Result: 91% of applicants were satisfied with the support and advice received from the Council (Target: 95%. 2013/14: 82%; 2012/13: 73%).

Source: WCC Community Networks

The proportion of grant funds successfully allocated (through milestones being met)

Result: 96% (Target: 95%. 2013/14: 100%; 2012/13: 97%).

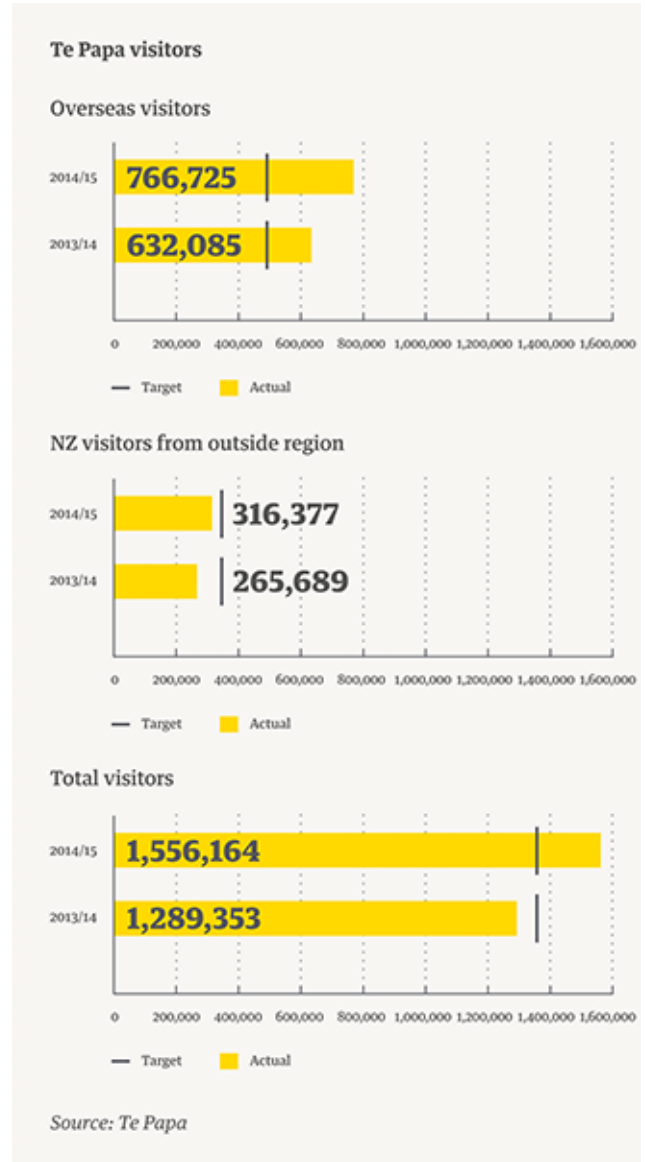
Source: WCC Community Networks

Proportion of outcomes delivered (previous projects - weighted by \$ value)

Result: 95% (Target: 90%. 2013/14: 100%; 2012/13: 100%).

Source: WCC Community Networks

We understand the reach of our arts and culture support activities



Total visitors target: 1.35 million people
 New Zealand visitors target: 495,000 people
 Outside the region target: 352,000 people⁸

This year visitor numbers at Te Papa have been extremely high, exceeding targets across all measures. This performance improvement primarily results from several notable exhibitions held throughout the year. Wellington also hosted a number of popular international events this year, such as the Cricket World Cup and the influx of visitors associated with these may have contributed to lifting performance.

⁷ This is an online survey of Toi Pōneke residents, room users and gallery artists. This year, we received 79 responses.

⁸ The wording for this measure was incorrectly stated in the 2014/15 Annual Plan. The original target stated: 1.35 million people will visit Te Papa, included 495,000 New Zealand visitors and 352,000 from outside the region. We have tried to resolve this issue by reporting a fuller breakdown of visitor numbers than in prior years.

Total visits to museums and galleries (including Carter Observatory).

Result: 689,414 (Target: 583,123. 2013/14: 601,743; 2012/13: 644,411).

This year due to several highly successful events and programmes, our performance exceeded target.

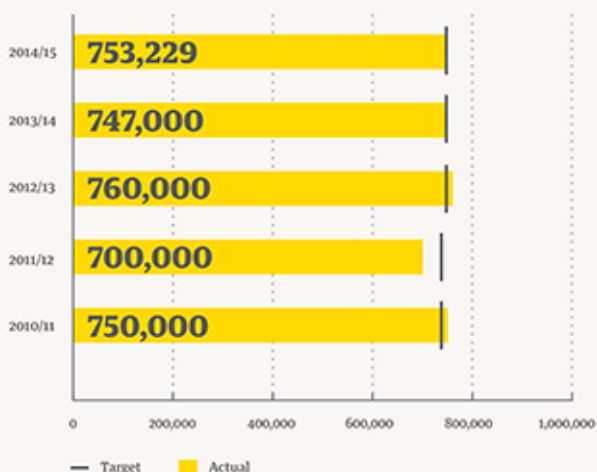
Source: Wellington Museums Trust

Number of artists involved in supported art projects delivered through the Public Art Fund

Result: 45 artists (No target. 2013/14: 45 artists; 2012/13: 39 artists).

Source: WCC City Arts

Arts and cultural festivals estimated attendance



Source: WCC City Events

Venues subsidy - total number of performers and attendees at supported events

Result: 12,564 performers and 54,371 attendees (Target: increase from 2013/14. 2013/14: 13,878 performers and 83,675 attendees; 2012/13: 16,270 performers and 84,342 attendees).

The number of participants and audiences taking part and attending events supported through venue subsidies vary in scale and these can be significantly different year-to-year, as they are dependent on the nature and scale of the applications we receive. We remain committed to using our venues subsidies as a mechanism to remove barriers and improve access to events.

Source: WCC City Events

Cultural grants - % first time applicants who were successful

Result: 43% (Target: 50%. 2013/14: 63%; 2012/13: 44%).

This year 21 first time applicants were allocated grant funding, of a total cohort of 48 new applicants. Our performance in this measure is influenced by a number of factors that are not within Council control, such as the pressure on available funding and the quality of applications we receive. Several of our grants funding schemes are aimed at encouraging new and emerging practitioners.

Source: WCC Community Networks

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
4.1.1 City Galleries and Museums¹				
Expenditure	8,379	8,412	33	8,299
Revenue	-	-	-	-
Net Expenditure	8,379	8,412	33	8,299
4.1.2 Visitor Attractions (Te Papa/Carter Observatory)				
Expenditure	3,033	2,981	(52)	3,021
Revenue	-	-	-	-
Net Expenditure	3,033	2,981	(52)	3,021
4.1.3 Arts and Cultural Festivals				
Expenditure	3,569	2,597	(972)	2,131
Revenue	(441)	(410)	31	(263)
Net Expenditure	3,128	2,187	(941)	1,868
4.1.4 Cultural Grants				
Expenditure	1,037	1,053	16	1,019
Revenue	-	-	-	-
Net Expenditure	1,037	1,053	16	1,019
4.1.5 Access and Support for Community Arts				
Expenditure	569	613	44	525
Revenue	(63)	(68)	(5)	(92)
Net Expenditure	506	545	39	433
4.1.6 Arts Partnerships				
Expenditure	1,834	1,938	104	1,655
Revenue	(482)	(535)	(53)	(509)
Net Expenditure	1,352	1,403	51	1,146
4.1.7 Regional Amenities Fund				
Expenditure	656	609	(47)	661
Revenue	(34)	-	34	(69)
Net Expenditure	622	609	(13)	592

1. Over budget due to additional spend on Community Events approved by the Council on 30th of September as part of the Funding for Nominated Events paper.

CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
4.1.1	City Galleries and Museums¹			
Expenditure	1,807	-	(1,807)	-
Unspent portion of budget to be carried forward	n/a	-	-	n/a
4.1.2	Visitor Attractions (Te Papa/Carter Observatory)²			
Expenditure	554	-	(554)	-
Unspent portion of budget to be carried forward	n/a	48	-	n/a
4.1.5	Access and Support for Community Arts³			
Expenditure	10	26	16	-
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Additional capital cost of the Wellington Museum upgrade project was funded by the Wellington Museums Trust.
2. Over budget due to a capital programme agreed by the Council in September 2014 to allow for the Cable Car and Carter Digital Planetarium.
3. Under budget due to the rescheduling of a sculpture from 2014/15 to 2015/16.

5

Social and Recreation Pāpori me te hākinakina

The Council's social and recreation work includes providing housing for people in need, funding city safety initiatives, regulating and monitoring food and liquor outlets, preparing to deal with earthquakes and other emergencies, providing community and recreation centres and halls, providing public toilets and cemeteries, pools and libraries, supporting community groups and events, providing sport and recreation facilities, neighbourhood playgrounds and dedicated areas for our dogs.

We fund these services because they matter to the lives of individual Wellingtonians and to the community as a whole. They help to protect the most vulnerable people, keep people safe and healthy, and strengthen communities.

These activities also provide opportunities for people to live healthy lifestyles, to reach their potential and to enjoy themselves.

OUR SOCIAL AND RECREATION OBJECTIVES

Social cohesion

- The strength of Wellington's communities depends on its people and we want to be a people-centred city. Our award winning single and family housing units, which have been tailor-made to reflect our changing family demographics, encourage social cohesion in a diverse community and make for greater interaction. We prioritise tenant welfare and link with service providers to support our most vulnerable residents.

Participation in city life

- Our sports and recreation facilities and community halls play host to numerous competitions, events and social gatherings. These facilities deliver a wide range of services that encourage individuals and communities to participate in city life and to engage with each other.

Greater use of existing facilities

- With the maintenance and upgrading of our existing facilities, our focus is on accommodating demand within existing facilities where possible, along with encouraging greater usage, more often. We have increased our outreach programmes, provide special focus programmes and have built stronger relationships with schools and community groups.

Safe and child friendly city

- It is important that Wellington caters for young people and their families and, for Council, this means providing safe, accessible and enjoyable places for recreation and play. A Child-friendly city is a place where children can influence decisions, express their opinions, be safe and protected from violence, abuse and exploitation. Wellington is the only capital city in the world to be accredited as a Safe Community under the World Health Organisation's International Safe Communities programme.

OUR SOCIAL AND RECREATION ACTIVITIES CONTRIBUTE TO 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.

A dynamic central city: They respond to the diversity of individual and community needs and promote a safe and vibrant city for people to live, work and play.

Case study

Keith Spry Pool Upgrade

The recent \$8 million upgrade of the Keith Spry Pool in Johnsonville included a new warm water teaching pool, new children's play pool and the provision of larger general changing facilities along with increased family and disabled changing rooms. These improved facilities have allowed the Council to cater for an increased demand for water based recreation opportunities and swimming lessons.

The new Aqua Therapy programme aims to improve balance and rehabilitation, with a focus on improving overall well-being. The programme currently has eight sessions a week and has proved to be very popular with participants reporting higher levels of mobility and confidence.

The Learn to Swim classes have had a record number of registrations in 2015 and staff noticed that there are increased numbers of pre-schoolers and water babies, with the largest growth coming from 3 - 5 year olds. The provision of new larger changing room spaces has allowed the original changing rooms to be converted for use solely by school groups resulting in greater safety and control for teachers and parent helpers, particularly for classes with younger children.

Keith Spry Pool (along with other Wellington City Council pools) is now a hub for water safety educational activities as part of the Coastguard Education's Safe Boating Programme. Staff will train school children and other individuals what to do when encountering a potentially hazardous situation out in open water. Skills taught include understanding what essential safety equipment is required on a boat, the correct way to wear a lifejacket, what to do if a vessel capsizes and other basic survival techniques.



Case study

Housing Upgrade Programme

The strengthening and refurbishment of Berkeley Dallard Apartments and upgrade of the adjacent Etona Apartments were completed on schedule in August 2014.

Tenants who knew Berkeley Dallard before the upgrade noted the units are lighter and also warmer and one mentioned she had hardly used the heater since moving back.

As well as installing insulation, double glazing, a second lift and replacing most services, the 10-storey Berkeley Dallard building, Council's largest single apartment structure, was strengthened and reconfigured. Family-sized units were created on the lower levels to meet current housing trends (previously the largest units were on the top floors, designed in the 1970s for groups of single workers).

Berkeley Dallard presented the largest single re-occupation exercise to date in the Housing Upgrade Programme. Within 2 months all 121 units became homes to eligible tenants and families.

As tenants moved in, City Housing staff had a busy period familiarising tenants with the building, its controlled security access, as well as fire safety systems and car parking. Tenancy advisors visit the site weekly to answer tenants' questions and the Community Action team also visits regularly, encouraging tenants to get to know each other and to use the community facilities.

Community spaces are a focus with all our upgrades and the location of Berkeley Dallard and Etona on Brooklyn Road, adjacent to Central Park Apartments and our Nairn Street townhouses, presented an opportunity to create a common green space linking these sites. Lawn areas, seating, fruit trees, playground equipment and basketball half court provides for recreation and connecting with neighbours, while paths invite all these tenants to share the indoor community facilities at the two larger complexes.

A weekly playgroup meets in the community room inside Berkeley Dallard were started by tenants and are regularly attended by parents with young children keen to meet with neighbours. Plunket nurses also provide early childhood checks and parent education on site.

Our contractors will remain on call for 12 months following completion fulfilling various tasks before the building - all 121 units plus communal and service areas - is signed off to the Council's required quality standards.

The upgraded buildings are smokefree inside (outdoor smoking areas are provided) and communal spaces both indoors and out are smokefree on all City Housing sites as of 31 May 2015. This is to protect the Council's assets and ensure a healthy environment for all tenants.



Case study

Emergency Preparedness Poster

This year we developed a pictorial emergency preparedness poster, which has generated significant interest from local authorities and government organisations around the country. We developed the poster after comments from agencies, such as Age Concern, City Housing and Arthritis New Zealand, that there is confusion for people with mobility impairments about what to do in an emergency. For example, what are the alternatives to the 'standard' drop, cover, hold position if they are not physically able to get down to the ground in an earthquake. Being predominantly pictorial the poster will also benefit a wide range of people, including those with English as a second language.

Many people experience temporary loss of mobility and it is helpful to be aware of what to do should they not be able to get out of their bed or chair. This poster is particularly relevant in the lead up to New Zealand's ShakeOut, the national earthquake drill, at 9.15am, Thursday 15 October 2015.

We have consulted with a number of organisations including Red Cross Refugee Services, People First, Age Concern, City Housing, Ministry of Civil Defence and Emergency Management, Wellington Regional Emergency Management Office, Wellington City Council's Accessibility Advisory Group, Deaf Aotearoa and Arthritis New Zealand. Feedback from these groups has been incorporated into the final design.

The poster is being distributed in Wellington as an A4 poster with a fridge magnet attached, as an A3 flyer for people with low vision, and as an A2 poster. An article was also published in the June 2015 edition of the MCDEM impact magazine.



5.1

Recreation promotion and support

Ngā rauhanga hapori

We provide a wide variety of community facilities throughout the city to encourage quality of life and healthy lifestyles.

WHAT WE DO

Our sporting and recreation facilities encourage people of all ages to engage in activities that help them live more active and healthy lives. Some facilities also attract visitors and raise the city's profile by hosting national and international events. Our activities include:

- **swimming pools** - we have seven swimming pools for people to learn to swim, exercise, participate in aquatic sports or have fun
- **sportsfields** (including synthetic) - 44 natural and nine artificial sports turfs (two in partnership with schools), eight croquet lawns, Newtown Park running track, a velodrome, and tennis/netball courts
- **recreation centres** - four multi-purpose recreation centres plus the ASB Sports Centre
- recreation partnerships
- recreation programmes
- recreation leases
- playgrounds
- **marinas** - the Evans Bay Marina & Clyde Quay Boat Harbour
- **golf course** - Berhampore Golf Course

WHAT WE ACHIEVED

We completed drainage upgrades of sportsfields at Nairnville and Redwood Parks and upgraded the cricket block and softball diamond at Alex Moore Park. We also completed structural strengthening of the former toilet at Clyde Quay Boat Harbour to allow for rental as a boat shed.

We made our playgrounds better places for our children to play. We completed four playground renewals -

Hazlewood Ave, Krull Street, Tui Park and Lyndhurst Park. We added a new playground in Woodridge and completed a partnership playground upgrade with Makara Model School.

We hosted a range of sporting competitions. Our recreation facilities hosted local, regional, national and international competitions in a range of sports, including: swimming, diving, underwater hockey, waterpolo, basketball, netball, volleyball, futsal and floorball.

We have upgraded the Keith Spry Pool in Johnsonville to include a new warm water teaching pool, new children's play pool and the provision of larger general changing facilities, along with increased family and disabled changing rooms.

HOW WE PERFORMED

User satisfaction with most services and facilities has remained steady and, while the target was not reached, perceptions of value-for-money have improved. Usage of many of our facilities is similar to previous years, although some utilisation rates require improvement.

We understand the standard of the services we provide and the value the public see in them

In 2012/13 user satisfaction with our swimming pools was 74%. Since then we have maintained and improved many of these facilities, and our performance in this measure has been increasing in a positive upward trend.

In 2012/13, 79% of residents were satisfied with the recreation centres we provide. Performance in this measure has improved over the past years, and is now much closer to meeting target.

In 2012/13 our performance in regards to the ASB Centre was high, with 90% of residents satisfied with this facility. Since then performance has dropped slightly. The ASB Centre is still a relatively new facility and we are working on reaching our target in future years.

In 2012/13 our performance in the playground measure was low, with only 76% of residents stating that they were satisfied with these facilities. Since then performance has been improving, and we are progressing towards meeting our target in future years.

In 2012/13, 79% of residents were satisfied with the sports fields we provide. Performance then peaked in 2013/14 and has dropped this year. This measure covers outdoor grass sports fields, so user satisfaction may be linked to factors outside of our control, such as the weather.

Residents (%) who agree that WCC recreation services and facilities provide good value for money

Result: 69% (Target: 80%. 2013/14: 59%; 2012/13: 61%).

This year while we did not meet our target for this measure, our performance has improved significantly. Only 10% of residents did not believe that our recreation services and facilities provided good value for money, while 21% neither agreed nor disagreed with this statement.

Source: WCC Residents Monitoring Survey 2015

We understand the reach and usage of the services we provide

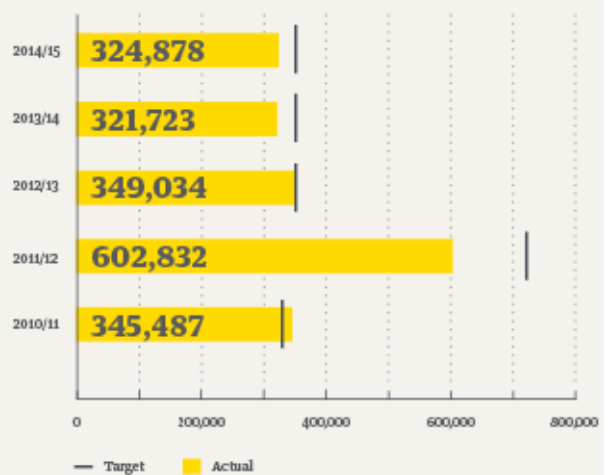
Visits to Wellington City Council swimming pools



Source: WCC Parks, Sports and Recreation

Attendance rates were below target, as the closure of Keith Spry Pool extended a month longer than expected and the use of Tawa Pool did not meet forecast levels.

Visits to Wellington City Council recreation centres⁹



Source: WCC Parks, Sports and Recreation

ASB Centre Courts % utilisation - peak and off-peak

Result: Peak = 46% (Target 71%. 2013/14: 41%; 2012/13: 41%). Off-peak = 37% (Target 35%. 2013/14: 39%; 2012/13: 28%).

While usage throughout weekday evenings and on Saturdays has been strong, attendance on Sundays is below target. We are working on developing initiatives to increase the number of regular bookings and activities on Sundays.

Source: ASB Centre

Visits to the ASB Centre- peak and off-peak

Result: Peak = 299,444 (Target 519,612. 2013/14: 332,539; 2012/13: 324,694). Off-peak = 325,042 (Target 174,420. 2013/14: 274,075; 2012/13: 199,201).

The difference between peak and off-peak usage has not been as pronounced as in forecasted levels. We are working on adjusting our peak/off-peak timetable to better reflect actual facility usage. We continue, as a key focus of the LTP 2015/25, to drive utilisation of our existing facilities.

Source: ASB Centre

9 The 2011/12 figures include the ASB Centre, which opened that year. From 2012/13 onwards they are reported on separately.

Artificial sports-fields % utilisation - peak and off-peak (summer and winter)

Result: Summer peak = 32% (Target 60%. 2013/14: 35%; 2012/13: 39%). Summer off-peak = 11% (Target 10%. 2013/14: 16%; 2012/13: 13%).

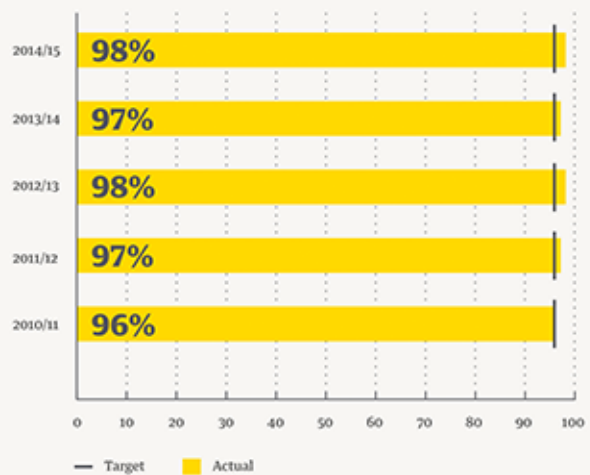
This year during the peak summer period user numbers remained constant but an increase in the number of turfs resulted in a negative variance.

Result: Winter peak = 68% (Target 80%. 2013/14: 76%; 2012/13: 79%). Winter off-peak = 25% (Target 15%. 2013/14: 18%; 2012/13: 19%).

This year, during the peak winter period, while utilisation itself did not decrease, the opening of the Alex Moore Park increased available peak hours across the network, resulting in a negative variance. During the off-peak winter period, winter sports tournaments, such as the Secondary School Girls' Football Tournament and school holiday programmes increased utilisation.

Source: WCC Parks, Sports and Recreation

Marina berths and boat sheds occupancy



Source: WCC Parks, Sports and Recreation

Outdoor sports-fields - % of scheduled sports games that are played

Result: Winter = 88% (Target: 80%. 2013/14: 78%; 2012/13: 84%). Summer = 99% (Target: 90%. 2013/14: 89%; 2012/13: 94%).

Source: WCC Parks, Sports and Recreation

College artificial sports-fields % utilisation for WCC hours: (summer and winter).

Result: Winter = 56% (Target 80%. 2013/14: 66%; 2012/13: 79%). Summer = 37% (Target 60%. 2013/14: 34%; 2012/13: 36%).

This year during the winter period the College Turfs saw a reduction in utilisation during peak weekend hours, which was partly due to more sport being played on the newly built Alex Moore Park. There has also been less demand in summer weekends this year, as several main codes are not played on the artificial turfs.

Source: WCC Parks, Sports and Recreation

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
5.1.1	Swimming Pools¹			
Expenditure	20,520	19,174	(1,346)	19,125
Revenue	(6,806)	(7,445)	(639)	(6,940)
Net Expenditure	13,714	11,729	(1,985)	12,185
5.1.2	Sportsfields			
Expenditure	3,417	3,339	(78)	3,519
Revenue	(319)	(286)	33	(329)
Net Expenditure	3,098	3,053	(45)	3,190
5.1.3	Sportsfields (synthetic)²			
Expenditure	1,237	1,453	216	1,175
Revenue	(418)	(538)	(120)	(412)
Net Expenditure	819	915	96	763
5.1.4	Recreation Centres			
Expenditure	9,705	9,987	282	9,387
Revenue	(2,653)	(2,853)	(200)	(2,600)
Net Expenditure	7,052	7,134	82	6,787
5.1.5	Recreation Partnerships			
Expenditure	1,049	1,039	(10)	784
Revenue	-	-	-	-
Net Expenditure	1,049	1,039	(10)	784
5.1.6	Playgrounds			
Expenditure	746	721	(25)	723
Revenue	-	-	0	(2)
Net Expenditure	746	721	(25)	721
5.1.7	Marinas³			
Expenditure	511	571	60	761
Revenue	(582)	(574)	8	(581)
Net Expenditure	(71)	(3)	68	180
5.1.8	Golf Course			
Expenditure	221	240	19	214
Revenue	(58)	(68)	(10)	(59)
Net Expenditure	163	172	9	155
5.1.9	Recreation programme⁴			
Expenditure	345	483	138	419
Revenue	(59)	(115)	(56)	(147)
Net Expenditure	286	368	82	272

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
5.1.1	Swimming Pools⁵			
Expenditure	5,185	5,171	(14)	3,713
Unspent portion of budget to be carried forward	n/a	-	-	n/a
5.1.2	Sportsfields			
Expenditure	517	518	1	888
Unspent portion of budget to be carried forward	n/a	-	-	n/a
5.1.3	Sportsfields (synthetic)			
Expenditure	47	50	3	2,127
Unspent portion of budget to be carried forward	n/a	-	-	n/a
5.1.4	Recreation Centres			
Expenditure	27	26	(1)	160
Unspent portion of budget to be carried forward	n/a	-	-	n/a
5.1.5	Recreation Partnerships⁶			
Expenditure	234	(186)	(420)	108
Unspent portion of budget to be carried forward	n/a	538	-	n/a
5.1.6	Playgrounds			
Expenditure	602	610	8	514
Unspent portion of budget to be carried forward	n/a	-	-	n/a
5.1.7	Marinas			
Expenditure	92	96	4	126
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Over budget due to lower revenue mainly from fitness centres, and higher than expected costs for staff and building maintenance.
2. Under budget due to lower staff and maintenance costs.
3. Under budget due to savings in maintenance and utility costs.
4. Under budget due to lower staff costs.
5. Budget includes \$3.80 million carried forward from the 2013/14 year for the main construction and completion of the Keith Spry Pool upgrade.
6. Under budget due to delays in the renewals programme at the Basin Reserve.

5.2

Community participation and support

Tautoko hapori

We support a city wide network of community spaces, libraries, support community organisations, and provide homes for people whose needs are not met by state housing or the private housing market.

WHAT WE DO

We want Wellington to be a people-centred city that supports diverse and inclusive communities. We support a network of community spaces and libraries to provide a focal point for community activities and programmes. We also support community leadership and advocacy to strengthen community resilience and safety.

We partner with Police and social agencies to coordinate a city-wide approach to homelessness. We provide stability for vulnerable households through social housing, with a focus on tenant welfare. Our activities include:

- **libraries** - 12 libraries plus an online branch providing access to a wide array of books, CDs, magazines, DVDs, e-books and e-audio, online journals and e-music tracks
- **access support (Leisure Card)** - we provide discounted pricing for recreation services and facilities, which makes access possible for those who couldn't otherwise afford it
- **community advocacy and support** - we support community service providers and programmes to meet the needs of our diverse communities and most vulnerable residents
- **grants (social and recreation)** - we partner with key social and health agencies to ensure there is a coordinated approach to addressing emerging community issues
- **community centres and halls** - we provide community facilities and services, including a city-wide network of 21 community centres and halls offering services, programmes, spaces for hire, childcare and education services
- **housing** - we house approximately 4,000 people in 2,200 units.

WHAT WE ACHIEVED

We won awards for our housing upgrades and tenant engagement, including the New Zealand Institute of Architects' (NZIA) Wellington Architecture Award for the category- Housing, Multi unit, 2015 (Marshall Court). We also won the NZIA New Zealand Award for Housing, 2014 (Central Park Apartments). For our engagement with our tenants, we were Highly Commended at the International Association of Public Participation Core Values Awards Australasia, Infrastructure category, 2014.

We completed year 7 of 20 of the housing upgrade programme. We completed year 7 of the 20 year upgrade programme, investing \$179 million to date in the social housing portfolio. This year saw the completion of our eighth major upgrade project, along with major renewals work on smaller complexes. We completed construction of the Berkley Dallard and Etona Apartments, and these buildings have been reoccupied. These upgrades continued to ensure accessibility was integrated into all projects, with the Berkley Dallard Apartment including accessibility features such as improved entrances and a second lift.

We completed 27 new apartments and moved new tenants in. Wellington's aging population requires new approaches to housing, including the Council's social housing upgrades. Our newest project, Marshall Court, was designed for the likes of active 90-year olds who can't manage stairs, retired couples where one partner has poor health, the mobility impaired and sociable seniors who rely on walkers and mobility scooters. The previous block of bedsits was not viable for upgrade. We demolished it and re-built on the same footprint, creating one-bedroom apartments suited to these independent but less mobile tenants and taking advantage of the flat location adjacent to Miramar's well-serviced village centre.

City Housing is New Zealand's largest social landlord. We provide subsidised rental housing to around 4000 residents in Wellington who, for a range of reasons, face barriers to renting in the private market and are not in state housing. City Housing operates on rental income alone, ring-fenced from rates, and our 20 year upgrade programme, in partnership with the Crown, contributes \$220 million. We prioritise tenant welfare, linking with

service providers to support our most vulnerable residents to sustain their tenancies. Our Community Action Programme supports our residents towards their aspirations, with work streams focusing on resilience, wellbeing, learning and development, social inclusion and community assets. We respond to around 800 maintenance requests each month, in addition to our ongoing renewals and upgrade programmes, which are bringing our housing up to a modern standard of warm, dry and healthy houses.

Johnsonville Library project. We undertook a desktop geotechnical study for the site of the new library. A project management company has been appointed to manage the project and the process to select main consultants, including the architectural company who will design the library.

We supported the Kaka Project. We facilitated a community-led planning process looking at future community services and facilities in the wider Brooklyn area. The community identified a host of initiatives to make the area more active, vibrant and connected.

We funded children's literacy programmes. We allocated additional funding, allowing us to deliver an increase in outreach programmes, provide special focus programmes (such as Matariki- themed class visit series), build stronger relationships with schools and community groups and allow staff to better prepare programmes and events. There has been an increase in the number of holiday activities delivered. In general, the funds allowed for greater flexibility and resourcing of children's programmes, which not only supported an increase in the number delivered, but also resulted in regular programming continuing during periods of reduced staffing due to leave or illness.

We are tackling homelessness. The Council endorsed the Te Mahana strategy and worked with strategic partners and frontline agencies to promote collaborative approaches to tackling homelessness. The Council agreed 3 year funding agreements for enhanced and joined up services, including street outreach, case coordination and tenancy support.

Know thy neighbour. We partnered with Massey University design students to develop the #wellynextdoor campaign. This was designed to make sure 'know your neighbours' message was relevant to the younger generation. Neighbours Day Aotearoa and #wellynextdoor 2015 were great successes. We received 275 'peg up your story' postcards from community fairs/festivals over the summer and at Libraries around Wellington. These included stories written in Chinese that staff translated, and stories from homeless clients of the Men's Night Shelter. These were posted on the #wellynextdoor website and a number were turned into short animated videos.

We help keep our communities safe and healthy. We partnered with the Police to set up two new Community Patrols, Pasifika and Wellington West. The Pasifika Patrol

is the first ethnically focused community patrol in New Zealand. We celebrated the work of the CCTV and community patrol volunteers during National Volunteer Week, with 80 volunteers attending. In October 2014, we partnered with the Mental Health Foundation, and organised a '5 Ways to Wellbeing Hui' during Mental Health Awareness Week for 80 WCC staff, NGOs and community organisations.

We continued our focus on improving accessibility. We partnered with Literacy Aotearoa to assist social housing tenants to improve their literacy skills and reconfigured the Leonard Cockayne Centre in Otari to improve accessibility facilities. The Mt Victoria/Matairangi Master Plan included a specific accessibility section and the Suburban Reserves Mangement Plan included accessible tracks and play areas. We also continued to improve and implement mobility parking, with highlights including recent improvements within the Kilbirnie area.

We supported our citizens. We updated the Accessible Wellington Map that provides information about Wellingtons' accessible facilities. This includes information about the mobility scooters that we provide in eleven locations around the city, as well as the location of mobility parks and accessible toilets. We also celebrated International Day of Older Persons, through an event for older people focused on remembering the way things were and stories from the past. We worked with a number of youth organisations to hold a Health Promotion Day at Kahurangi School in the Eastern Suburbs. We registered as a Child and Youth Friendly City and are working towards accreditation through programme development collaboration. We also facilitated National Children's Day activities around the City.

We developed an urban agriculture project. We developed a Bee-Friendly Capital programme, which includes handing out Bee-Friendly seeds at Neighbours Day events and organising Bee-Friendly murals on a bus stop and utility boxes in Khandallah. We also developed Bee-Friendly Guidelines for hives on Council land and, in partnership with the Beekeepers Association, promoted August as Bee Month. We continued the Fruit Tree Guardian Programme, with 80 trees going out this year, including 40 to neighbourhood sites and 40 to Grow Aotearoa, who are doing the tree planting. We have developed a Heritage Fruit Tree Programme, where the Botanic Gardens propagate the cuttings for distribution.

We supported ANZAC day celebrations. We supported local community involvement in the WW100 celebrations, assisted with 16 events, and provided decorative flags, posters, bunting and wine barrels filled with poppies to 13 community centres throughout Wellington. We coordinated over 80 volunteers to help deliver the Anzac Day parade, Anzac Dawn Service and the Anzac National Service.

HOW WE PERFORMED

Resident's use and satisfaction with our libraries and recreation programmes remain high, although in some cases, access could be improved. Our housing services continue to be of very good quality and are highly rated by tenants. The support we provide in the community also remains highly effective.

We understand the standard of the services we provide and the value the public sees in them

Libraries - user (%) satisfaction with services and facilities

Result: 87% (Target: 90%. 2013/14: 83%; 2012/13: 87%).

Source: WCC Residents Monitoring Survey 2015

Libraries - residents (%) satisfaction with range and variety of collection

Result: 87% (Target: 85%. 2013/14: 86%; 2012/13: 87%).

Source: WCC Residents Monitoring Survey 2015

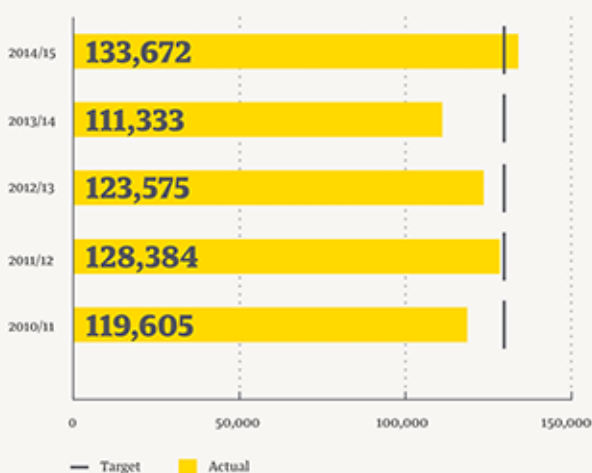
Residents (%) who agree that library services and facilities provide good value for money

Result: 80% (Target: 85%. 2013/14: 75%; 2012/13: 76%).

Source: WCC Residents Monitoring Survey 2015

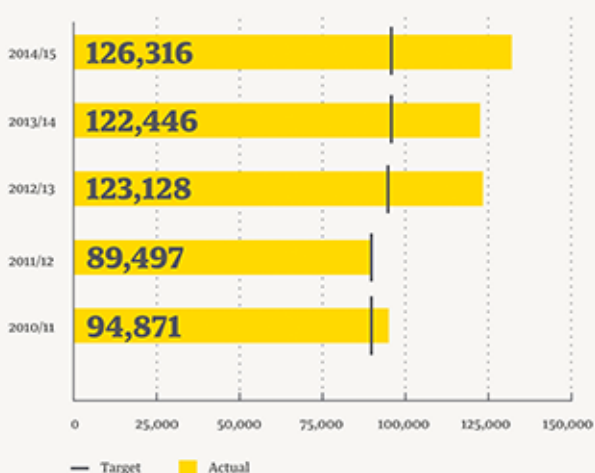
We understand the reach and usage of recreation services

Users of recreation centre programmes



Source: WCC Parks, Sports and Recreation

Number of uses of Leisure Card



Source: WCC Parks, Sports and Recreation

This year, as with prior years, the number of uses of the Leisure Card significantly exceeded target. This measure has been shifted to an outcome indicator in the LTP 2015/25.

Residents (%) rating of their ease (easy or very easy) of access to WCC recreation facilities and programmes

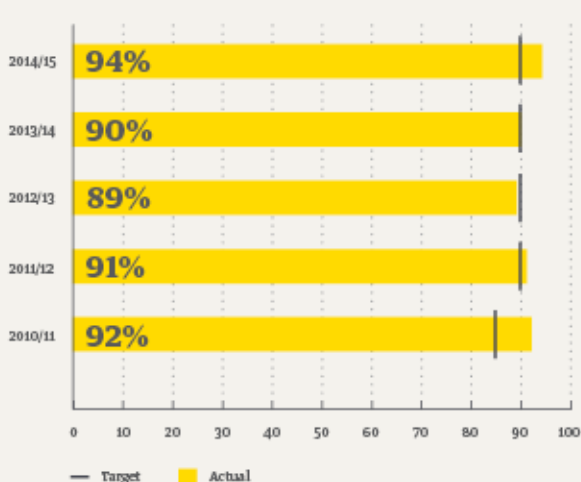
Result: 65% (Target 85%. 2013/14: 62%; 2012/13: 55%).

This year, while we did not meet our target for this measure, our performance does show a positive upward trend. Only 5% of residents found it difficult to access our recreation facilities and programmes, while 29% had a neutral stance on this issue.

Source: WCC Residents Monitoring Survey 2015

We measure the standard of the housing services we provide

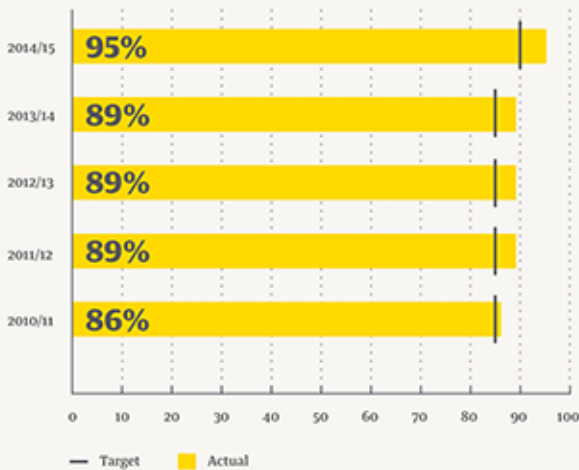
Wellington City Council housing tenants' satisfaction (%) with services and facilities



Source: WCC Housing Tenant Satisfaction Survey 2015¹⁰

This year we added a 'neutral' option to the scale, where previously it was not available. This change has not been accounted for in this measure's target. For this year's report a neutral rating of 16% has been included with the satisfied and very satisfied results, as a review of previous year's data showed this was the fairest way to represent the data. We are looking at changing this target for future years.

Wellington City Council housing tenants (%) that rate the overall condition of their house/apartment as good or very good



Source: WCC Housing Tenant Satisfaction Survey 2015

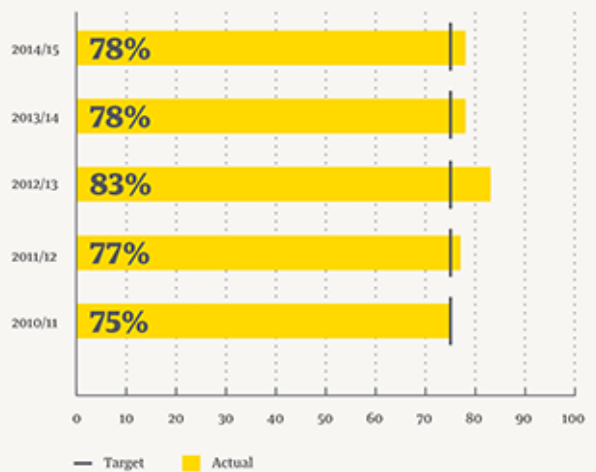
This year we added an 'average' option to the scale, where previously it was not available. This change has not been accounted for in this measure's target. For this year's report an average rating of 20% has been included with the good and very good results, as a review of previous year's data showed this was the fairest way to represent the data. We are looking at changing this target for future years.

City Housing compliance with legislative requirements

Result: All City Housing services and facilities complied with all legislative requirements (e.g. the Residential Tenancies Act and building warrant of fitness). Target: Compliance (2013/14: compliant; 2012/13: compliant).

Source: WCC City Housing

Wellington City Council housing tenants (%) who feel safe in their complex at night



Source: WCC Housing Tenant Satisfaction Survey 2015

Wellington City Council housing tenants (%) who report positive social contact

Result: 94% (Target: 65%. 2013/14: 88%; 2012/13: 87%; 2011/12: 91%; 2010/11: 90%).

Positive contact with the tenant community has been growing year-on-year, with performance this year being particularly high. We believe that this result reflects the cumulative effect of City Housing's proactive engagement with tenants, which has been ongoing since 2008. We use events such as Neighbours' Day and CAP Chats, along with our on-site Tenancy Advisor Clinics, to actively facilitate neighbourliness within housing complexes. This year we have also used smaller tenant events and the creation of the Community Action Fund to encourage involvement and participation in community activities. Our investment in developing tenant leadership has grown exponentially in the last two years, and our tenant volunteers continue to contribute to building an environment where positive contact can flourish.

Source: WCC Housing Tenant Satisfaction Survey 2015

We measure the use and demand of the social housing resource

Occupancy rate of available housing facilities

Result: 95% (Target: 90%. 2013/14: 98%; 2012/13: 94%; 2011/12: 83%; 2010/11: 86%).

Source: WCC City Housing

10 This is a postal survey sent to the head tenant of each Council Housing Unit, each with a prepaid envelope. This year we received 700 responses.

All tenants (existing and new) housed within policy

Result: 99% (Target: 98%. 2013/14: 99%; 2012/13: 98%).

Source: WCC City Housing

While not captured in the result for this year, several projects were delivered additional to Accessible Wellington Action Plan initiatives.

Source: WCC Community Networks

Residents (%) who rate services and facilities as good value for money

Result: 93% (Target: 85%. 2013/14: 85%; 2012/13: 85%; 2011/12: 83%; 2010/11: 83%).

This year we added an 'average' option to the scale, where previously it was not available. This change has not been accounted for in this measure's target. For this year's report, an average rating of 27% has been included with the good and very good results, as a review of previous year's data showed this was the fairest way to represent the data. We are looking at changing this target for future years.

Source: WCC Housing Tenant Satisfaction Survey

We understand the effectiveness of our recreation-support distribution

The proportion of grants funds successfully allocated (through milestones being met)

Result: 100% (Target: 95%. 2013/14: 100%; 2012/13: 100%).

Source: WCC Community Networks

Proportion of outcomes delivered (previous projects - weighted by % value)

Result: 100% (Target: 90%. 2013/14: 100%; 2012/13: 96%).

Source: WCC Community Networks

We track the progress of the housing upgrade project

Milestones for housing upgrade project

Result: Achieved. Target: meet all milestones, design standards and budgets (2013/14: partially achieved; 2012/13: achieved).

Source: WCC City Housing

We understand the reach and use of the services we provide

Libraries - residents (%) who are registered members

Result: 77% (Target: 69%. 2013/14: 74%; 2012/13: 67%; 2011/12: 61%; 2010/11: 78%).

In the past the target for this measure related to active users of the library only. This has now been changed to capture all registered library members. We now also no longer automatically expire memberships - with the exception of some categories, such as young adult - and all standard memberships are indefinite. These changes were developed as a customer service initiative designed to respond to user frustration at finding their library cards expired. It also reflects the fact that while many members are not actively borrowing, they still regard themselves as library users.

Source: Wellington City Libraries

We understand the effectiveness of our community support services

Community groups (%) satisfied with Council relationships

Grant recipients - Result: 91% (Target: 90%. 2013/14: 82%; 2012/13: 77%).

Contract funded organisations - Result: 87% (Target: 90%. 2013/14: 88%; 2012/13: 94%).

Source: WCC Contracts and Grants Survey 2015¹¹

Residents' neighbourly behaviour

Result: 93% of residents have displayed 'neighbourliness' behaviour (Target: 65%. 2013/14: 90%; 2012/13: 92%).

Source: WCC Residents Monitoring Survey 2015

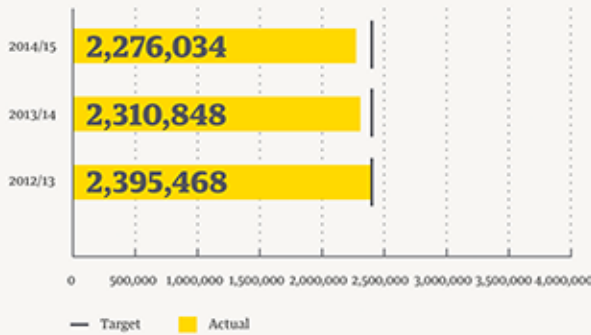
Accessible Wellington Action Plan initiatives planned for year progressed or completed

Result: 77% (Target: 80%. 2013/14: 95%; 2012/13: 81%).

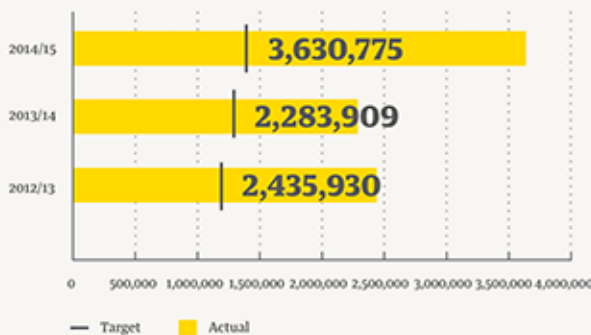
¹¹ This survey is sent to applicants who have applied for multi-year contracts and grants within the previous twelve months. This year, we received 135 responses to this survey.

Libraries - physical visits and website visits

Physical visits



Online visits



Source: Wellington City Libraries

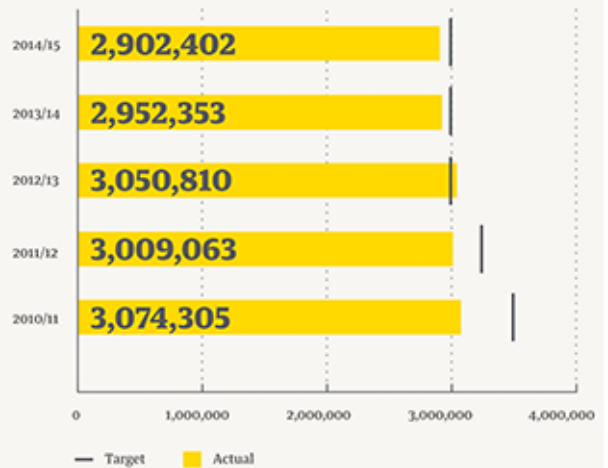
In 2012/13 we reduced our target for online visits, as a methodology change led us to expect a decrease in results. As this decrease has not occurred, the target has been increased to 2.5 million from 2015/16. There has also been a significant increase in the number of online visits in 2014/15, as a result of the inclusion of visitor session data from the library App.

Library programmes - estimated attendees

Result: 76,823 (Target: 78,000. 2013/14: 75,525; 2012/13: 81,273; 2011/12: 95,544; 2010/11: 89,886).

Source: Wellington City Libraries

Library items issued



Source: Wellington City Libraries

E-library users' satisfaction (%) with the online library collection

Result: 84% (Target: 67%. 2013/14: 78%; 2012/13: 70%).

This year our performance in this measure lifted, substantially exceeding target. This improvement primarily resulted from an emphasis on delivering customer focused services. We improved the offerings of our curated collections and added a 'recommend to library' function, enabling customers to help shape and inform the direction of our collections. We have also used customer feedback and new technology to simplify and improve access to our online services, improving customer satisfaction.

Source: Wellington City Libraries

Occupancy rates (%) of Wellington City Council Community Centres and Halls

Result: 34% (Target: 45%. 2013/14: 35%; 2012/13: 30%).

We changed the methodology for calculating occupancy rates, which now combines the measures for both community centres and community halls. We also set a new stretch target for 2014/15, which we have been unable to achieve.

Source: WCC Community Networks

Homelessness - % of known homeless people supported by agencies

Result: n/a (Target: 100%).

This measure was intended to form part of the Te Mahana homelessness strategy. This information was not collected for the 2014/15 period, as the strategy had not yet been finalised. We expect that implementation of our homelessness strategy will begin shortly, so information for this performance measure will be provided in 2015/16.

Source: WCC Community Networks

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
5.2.1 Libraries				
Expenditure	20,635	20,787	152	21,595
Revenue	(1,542)	(1,733)	(191)	(1,594)
Net Expenditure	19,093	19,054	(39)	20,001
5.2.2 Access Support				
Expenditure	56	53	(3)	26
Revenue	-	-	-	-
Net Expenditure	56	53	(3)	26
5.2.3 Community Advocacy				
Expenditure	1,487	1,454	(33)	1,635
Revenue	(11)	-	11	(133)
Net Expenditure	1,476	1,454	(22)	1,502
5.2.4 Grants (social and recreation)				
Expenditure	2,749	2,795	46	3,403
Revenue	(19)	(19)	0	13
Net Expenditure	2,730	2,776	46	3,390
5.2.5 Housing¹				
Expenditure	24,500	25,417	917	22,888
Revenue	(35,865)	(54,075)	(18,210)	(45,418)
Net Expenditure	(11,365)	(28,658)	(17,293)	(22,530)
5.2.6 Community Centres and Halls				
Expenditure	3,010	2,947	(63)	2,726
Revenue	(281)	(220)	61	(277)
Net Expenditure	2,729	2,727	(2)	2,449

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
5.2.1 Libraries²				
Expenditure	2,255	2,260	5	2,103
Unspent portion of budget to be carried forward	n/a	271	-	n/a
5.2.5 Housing³				
Expenditure	19,167	35,375	16,208	27,763
Unspent portion of budget to be carried forward	n/a	1,272	-	n/a
5.2.6 Community Centres and Halls				
Expenditure	19	22	3	40
Unspent portion of budget to be carried forward	n/a	-	-	n/a

1. Over budget due to the timing of the recognition of the Crown grant for the Housing Upgrade project.
2. Under budget mainly due to the timing of works on the Johnsonville Library upgrade.
3. Under budget due to the rephasing of the Housing upgrade programme agreed by the Council in September 2014.

5.3

Public health and safety

Hauora tūmatanui me te haumanu

We work to protect Wellingtonians from threats to their health and safety.

WHAT WE DO

Public confidence in the safety of the city's streets and suburbs is a top priority. Wellington has a reputation of being a safe city with a vibrant CBD, which we wish to retain. Wellington's location makes earthquake-preparedness particularly important, though the city is also at risk of other civil emergencies such as flooding and tsunamis. We have legislative obligations to maintain public health standards by regulating food and liquor outlets, animals, trade waste and managing environmental noise problems. We also provide public toilets, cemeteries and crematorium services as a vital public health function. Our activities include:

- **burials and cremations** - cemeteries at Karori and Makara with a crematorium at Karori Cemetery
- **public toilets** - 70 public toilets, beach and sportsfields changing rooms/pavilions
- **public health regulations** - regulating food and liquor outlets, animal, trade waste and managing environmental noise issues
- **city safety** - maintaining WHO Safe City accreditation and providing a 'city hosts' service, managing graffiti and supporting community initiatives
- Wellington Regional Emergency Management Office (WREMO).

WHAT WE ACHIEVED

We regulated public health. The number of closure notices we issued for food businesses was considerably less than previous years. This demonstrates our increased focus on working closely with businesses through better education and a system of graduated response. We signed-up an additional 202 food businesses to a voluntary implementation programme which means that a large proportion of cafes and restaurants are now ready for the requirements of new food legislation. We transferred the regulation of trade waste to Wellington Water thereby facilitating a more regional approach to waste management. We also held more District Licensing

Committee hearings, which enabled the public to have their say about alcohol licensing applications.

Local Alcohol Policy appeals. Appeals to the Provisional Local Alcohol Policy were heard by the Alcohol Regularly and Licensing Authority. A number of matters were referred back for reconsideration and we will be considering the content of a resubmitted policy in February next year.

We helped make the city safer. We progressed a city-wide integrated approach to graffiti management with the Waterfront, Wellington Electricity, Wilson Parking, Powerco and Cable Car Ltd. This provides consistency in the approach to removal and prevention programmes. We also have a dedicated Graffiti Volunteer Coordinator who is working with communities to develop locally driven volunteer initiatives that will assist in reducing and preventing graffiti. Programmes are in place in Newton, Linden, Tanera Park and support for graffiti paint-outs along the railway corridor. We continue to work with strategic partners to ensure a cross-sector approach to the Safe City Outcomes. We also provide funding support to organisations that support a strong youth sector and deliver programmes to support good outcomes for at-risk youth. We reviewed and updated the CCTV guidelines, updated public signage, developed a volunteer coordinator role focusing on the recruitment and training of volunteers (a partnership with the police), transitioned from manual recording of CCTV data to an electronic reporting system enabling greater analysis of the information and greater collaboration of data.

We have strong partnerships. We partnered with Police and Community Patrols NZ to establish a Pasifika Community Patrol. Local Hosts actively observing and reporting on city safety issues, alongside Pacifica Patrols, Youth Hosts, Community Patrols, Police and the outreach team. Local Hosts continue to be one of the main responders to the vulnerable community, often the first interaction with new people to Wellington's street community. This work supports the Out Reach team (cross sector partnership of social organisations). Local Hosts have expanded to the suburbs of Newtown, Kilbirnie and Miramar. We have also partnered with the CBD residents and retailers association to implement an 'Eyes On' communications network for retailers. This allows retailers to share information in real time, including alerts

on theft and shop lifting. This programme is coordinated by the Inner City Residents Association who employed a coordinator.

The Emergency Welfare Team is working to prepare us for a future emergency. We developed a new Emergency Preparedness resource in collaboration with community stakeholders, WREMO and MCDEM. This poster shows alternative Drop, Cover, Hold options for people with accessibility and mobility issues and is largely pictorial so can easily be understood by a wide range of people including culturally and linguistically diverse communities. We partnered with Time Bank to support our Welfare registration and volunteers process in case of an emergency. We also trained and partnered with CAB to deliver Emergency Management Information Systems (EMIS) registrations in case of an emergency. We have identified over 45 buildings that could be used as potential welfare assistance centres during an emergency event. These centres will provide assistance for people and animals in an emergency, e.g. food, accommodation and connecting to Work and Income. Lastly, we continue to provide welfare support for people during localised emergencies in Wellington, the latest being the recent floods.

HOW WE PERFORMED

As a result of our work the city is safer and healthier. Our response times remain consistently fast and residents are satisfied that our services are of a high quality.

We understand the effectiveness of our public health and safety services and programmes

Number of trained civil defence volunteers

Result: n/a (Target: 600).

Since the establishment of WREMO, WCC is no longer responsible for training civil defence volunteers. This measure has not been included in the 2015/25 LTP.

Dog control - complaints received (% of registered dogs)

Result: 22% (Target: maintain or improve from 2013/14. 2013/14: 30%; 2012/13: 26%).

This year our performance in this measure improved substantially. We believe that the effectiveness of our dog registration programmes may be contributing to this result.

Source: WCC Public Health

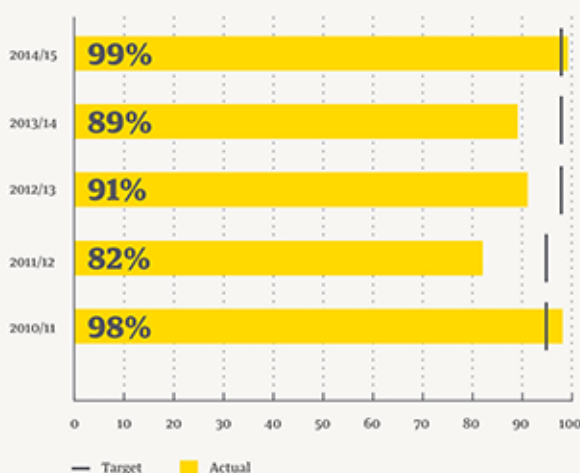
Response to service requests - dog control

Result: We responded to 100% of urgent requests within one hour (Target: 100%. 2013/14: 97%; 2012/13: 98%; 2011/12: 97%; 2010/11: 100%) and 99% of non-urgent requests within 24 hours (Target: 99%. 2013/14: 99%; 2012/13: 99%; 2011/12 99%; 2010/11: 99%).

Urgent requests are defined as dog attacks on people or other animals.

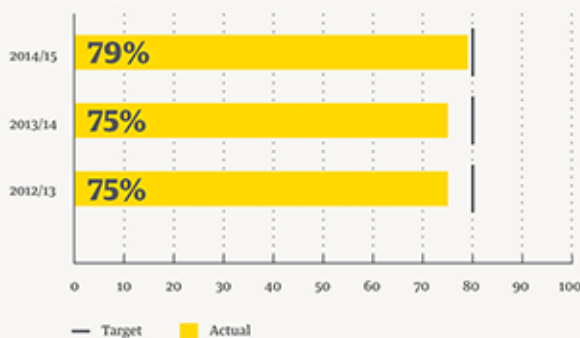
Source: WCC Public Health

Food premises (%) with excellent or very good hygiene ratings that maintain or improve their rating



Source: WCC Public Health

Residents (%) satisfaction with the cleanliness of Wellington City Council public toilets (satisfied or neutral responses)



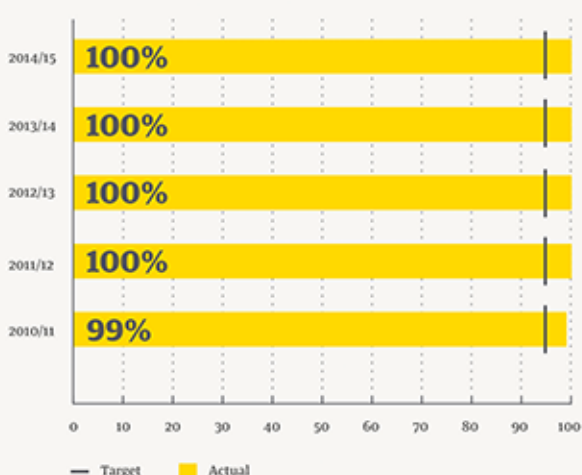
Source: WCC Residents Monitoring Survey 2015

Response to service requests - public toilets

Result: We responded to 99% of urgent requests within one hour (Target: 100%. 2013/14: 100%; 2012/13: 100%; 2011/12: 98%), and 99% of non-urgent requests within three days (Target: 95%. 2013/14: 100%; 2012/13: 95%; 2011/12: 98%).

Source: WCC Parks, Sports and Recreation

Wellington City Council public toilets that meet required cleanliness and maintenance performance standards



Source: WCC Parks, Sports and Recreation

Percentage of planned inspections carried out for high risk (category 3) premises

Result: 119% (Target: 100%. 2013/14: 109%; 2012/13: 100%).

This year we undertook more inspections than the 100% target. Several factors have contributed to this high number. These include undertaking joint agency inspections with Regional Public Health, who may have wished to re-inspect a premise already inspected by WCC officers, Controlled Purchase Operations with Police and Regional Public Health and additional inspections of premises during peak-time trading, when they may have been inspected already as part of their licence renewal.

Source: WCC Public Health

Percentage of high risk (category 3) premises inspections carried out during high trading hours

Result: 35% (target: 25%. 2014/15: 34%; 2012/13: 26%).

This year we have increased the frequency of peak-time inspections, in order to ensure a higher degree of confidence when making recommendations to the District Licensing Committee around how premises are performing.

Source: WCC Public Health

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
5.3.1 Burials and Cremations¹				
Expenditure	2,310	1,637	(673)	1,830
Revenue	(816)	(828)	(12)	(856)
Net Expenditure	1,494	809	(685)	974
5.3.2 Public Toilets				
Expenditure	2,614	2,432	(182)	2,440
Revenue	-	-	-	-
Net Expenditure	2,614	2,432	(182)	2,440
5.3.3 Public Health Regulations				
Expenditure	4,675	4,726	51	4,508
Revenue	(3,089)	(3,182)	(93)	(2,685)
Net Expenditure	1,586	1,544	(42)	1,823
5.3.4 City Safety				
Expenditure	2,234	2,138	(96)	1,634
Revenue	(46)	-	46	(10)
Net Expenditure	2,188	2,138	(50)	1,624
5.3.5 WREMO				
Expenditure	1,322	1,387	65	1,285
Revenue	(34)	(29)	5	(25)
Net Expenditure	1,288	1,358	70	1,260
CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
5.3.1 Burials and Cremations²				
Expenditure	173	169	(4)	320
Unspent portion of budget to be carried forward	n/a	111	-	n/a
5.3.2 Public Toilets				
Expenditure	865	987	122	484
Unspent portion of budget to be carried forward	n/a	-	-	n/a
5.3.5 WREMO				
Expenditure	-	-	-	22
Unspent portion of budget to be carried forward	n/a	43	-	n/a

1. Over budget due to lower revenue and higher staff, maintenance and depreciation costs.
2. Under budget due to the timing of work on the small chapel at Karori Cemetery.

6

Urban Development Tāone Tupu Ora

The Council's urban development work includes urban planning, controlling building activity and land use assessing risks from earthquake-prone buildings and developing and enhancing public spaces.

Our work helps to make Wellington a compact, vibrant, attractive city in which it is easy to get from place to place, whilst also reducing adverse effects on the environment. This work is crucial for ensuring people's health and safety in the buildings they live and work in, and in the public spaces they use. It is also vital for the environment, because a city with a smaller carbon footprint produces fewer emissions and consumes fewer resources.

The Council's key roles are to provide public spaces and infrastructure, and to plan and control development so the city can support a strong economy and a high quality of life in an environment that is both attractive and sustainable.

All of our work involves partnerships with developers and home owners who want to build or extend, with commuters who want to get to and from work or school, with businesses taking goods to market and with everyone who lives, works and plays in the city.

OUR URBAN DEVELOPMENT OBJECTIVES

Smart growth / urban containment

- The District Plan aims to achieve urban containment by promoting appropriate development and intensification within the existing urban areas. This avoids the need for uncontrolled greenfield development into green spaces. The Resource Consents team is entrusted with the responsibility to administer these objectives.

Resilience

- With continued earthquake strengthening of our own buildings and support for private owners of heritage buildings, we ensure that our heritage buildings and public spaces are maintained, preserved and meet resilience and safety requirements. A Resilience Officer will be appointed in October to assist in the identification of resilience challenges, opportunities and priorities facing the city.

Character protection

- The District Plan identifies key areas within the city which require specific character protection, with examples including Thorndon, Newtown and Mt Victoria. The resource consents process allows the Council to balance the interests of character protection with the appropriate development and growth of these areas.
- See our Urban Growth Plan. wellington.govt.nz/urbangrowthplan.

OUR URBAN DEVELOPMENT ACTIVITIES CONTRIBUTE TO 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.

Connected: They connect people with places and make them easy to find and functional.

An 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.

A 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 and diversity of the people and they shape a place where ideas, innovation and difference can be expressed and supported.

Case study

Victoria Street transformation

Victoria Street has been identified as a growth area by the Wellington Urban Growth Plan 2015. We expect the Victoria Street area to accommodate 1,100 new apartments catering for at least 2,500 people and 37,000 m² of new commercial space. The completed street improvements are to help support and encourage property owners and developers to invest in and regenerate this area to create a great inner city neighbourhood.

The works included laying 9,000m of new pipes and ducts for existing and future underground services, widening and significantly improving footpaths on both sides of the street, creating two new paved parks and planting hundreds of new trees and plants. The project also included installing a separate kerbside cycle lane between Vivian and Abel Smith streets, which will be trialled. All of these significantly change the look and feel of the area.

The project is an example of what can happen when we collaborate. We have worked with the NZTA to design and build the project using an alternative delivery model which enabled us to complete the project in about half the time. We have also worked with developers, local businesses, residents and our own creative team to develop branding for the area that starts to provides a unique identity and 'sense of place'.

We want Victoria Street to be an inner-city neighbourhood where people want to live, work and play. The work we've undertaken will help to make this happen.



6.1

Urban planning, heritage and public spaces development

Whakahaerenga whare me te whanaketanga

Wellington is a compact, vibrant, attractive and safe city - and we want to keep it that way.

WHAT WE DO

Urban planning provides guidance on how and where the city should grow. It's important this retains the things residents like about Wellington, its compactness, the 'heart' around the city centre and harbour, and the character of its hillside residential areas.

The Council is required to prepare a District Plan under the Resource Management Act 1991. The District Plan is the primary document that manages land use and development within the Council's territorial boundaries.

We also look after public spaces, including the waterfront. Development of public spaces enhances people's enjoyment of the city and contributes to our civic pride and 'sense of place'. Our activities include:

- urban planning and policy development
- waterfront development
- public space and centres developments
- built heritage development.

WHAT WE ACHIEVED

We used the Built Heritage Incentive Fund to focus on heritage areas in Newtown and Cuba Street and enabled listed heritage building owners to access Council grant funding to assist with seismic strengthening projects.

We funded upgrade projects in the CBD to commemorate WW1, in partnership with the Crown. These projects, which include Memorial Park and the Parliamentary precinct, formed the foundations of Wellington's 100 year commemoration of the landing of New Zealand troops at Gallipoli. Completing these two projects involved working in partnership with key central government agencies and the community. The upgraded spaces around both the cenotaph and war memorial have delivered an enduring legacy for the city and Country, by providing a more open and pedestrian friendly area for Anzac Day dawn services and other events.

We upgraded, refurbished and beautified our town centres and streets.

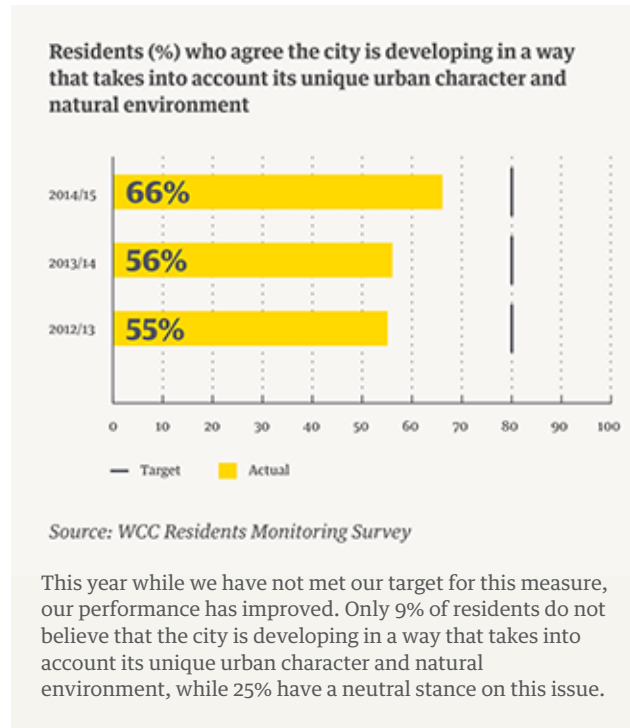
A series of small tactical projects were layered within our larger projects, these included:

- The 'green lantern', an interpretive piece paying homage to Kate Sheppard and celebrating 121 years of women's suffrage in New Zealand. Lanterns were installed at eight intersections within the Wellington Parliamentary Precinct and they will be in place until December 2015.
- The Kilbirnie Phase II project, which aims to create a safer, more attractive environment for the local community and businesses. The project uses smaller-scale, economical streetscape interventions, such as garden bed refurbishment, better quality surfaces and the installation of murals, street furniture and civic banners, to bring colour and energy to Coutts Street and Bay Road. The project will be completed in July 2015.
- We transformed Bond Street into a shared space, drastically changing the way the street looked and was used. The project was brought to life by a programme of events hosted from the mini shipping container and used outdoor seating areas to create a community shared space.
- We have collaborated with the greenwall industry, our parks team, developers and constructors to deliver the greenwall in Civic Square, and to also inform people about and advocate for the use of greenwalls around the city. Since we undertook this project, more people have started thinking about implementing vertical greening in their developments.
- In Lower Cuba Street we have repaired the garden beds, planted new trees and plants, rearranged the space so it works better for pedestrians, painted the road in the Cuba Street colours and worked with Zeal to help activate the space with a not-for-profit business.
- In Newlands we have removed a canopy that was causing some crime issues and have revitalised the space beneath it by installing new planters, lighting and paving.

HOW WE PERFORMED

This year while some measures did not reach their target, our performance has improved. Residents are satisfied with the character of the central city and waterfront and our efforts to preserve the city's heritage continue.

We measure our effectiveness at facilitating high quality urban development

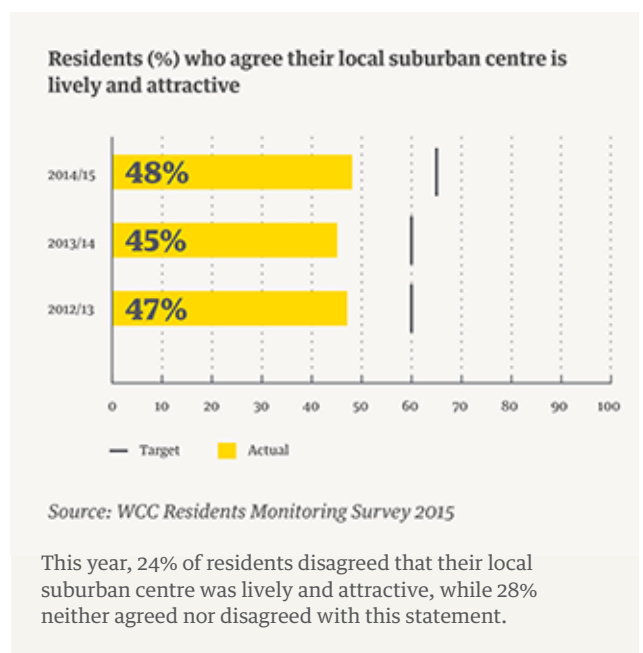
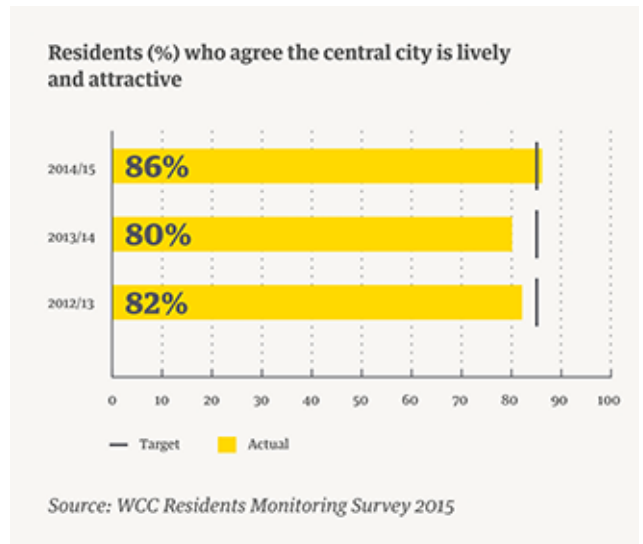


District Plan change appeals

Result: 67% of our District Plan appeals were resolved (Target: 90%. 2013/14: 100%; 2012/13: 100%).

This year four District Plan appeals were made, one of which was resolved. The three outstanding appeals all related to the same plan change and the Court hearing for this has now concluded, although a decision is yet to be made.

Source: WCC City Planning and Design



The proportion of grants funds successfully allocated (through milestones being met)

Result: 100% (Target: 95%. 2013/14: 100%; 2012/13: 100%).

Source: WCC Community Networks

We measure our effectiveness at protecting the city’s built heritage

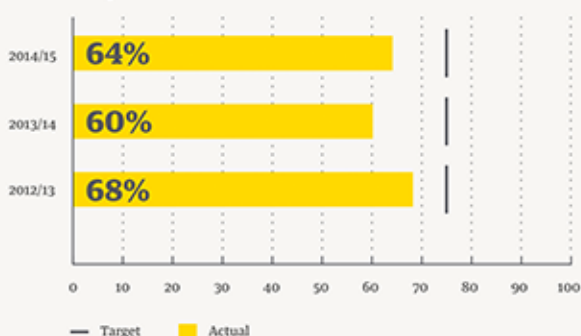
District Plan listed items that are removed or demolished

Result: 0 (Target: 0. 2013/14: 0; 2012/13: 1).

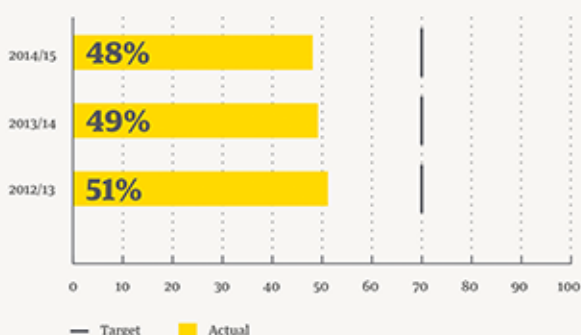
Source: WCC City Planning and Design

Residents (%) who agree heritage items are appropriately valued and protected in central city and suburban areas

Central city



Suburban



Source: WCC Residents Monitoring Survey 2015

This year only 11% of residents did not believe that heritage items were appropriately valued and protected in the central city, while 25% neither agreed nor disagreed with this statement. Only 13% of residents did not believe that this statement applied to their local suburban area, while 39% had a neutral stance on this issue.

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
6.1.1 Urban Planning and Policy Development				
Expenditure	1,667	1,819	152	1,867
Revenue	(13)	(20)	(7)	-
Net Expenditure	1,654	1,799	145	1,867
6.1.2 Waterfront Development¹				
Expenditure	12,283	11,226	(1,057)	10,568
Revenue	(11,099)	(3,863)	7,236	966
Net Expenditure	1,184	7,363	6,179	11,534
6.1.3 Public Spaces and Centres Development²				
Expenditure	2,437	1,763	(674)	1,996
Revenue	(167)	-	167	-
Net Expenditure	2,270	1,763	(507)	1,996
6.1.4 Built Heritage Development³				
Expenditure	863	1,026	163	955
Revenue	-	-	-	-
Net Expenditure	863	1,026	163	955

1. Under budget due deferred vested asset revenue relating to the wharf pile strengthening on the public space of the Clyde Quay Wharf.
2. Over budget mainly due to more time being charged and is largely offset by savings in urban planning and policy and built heritage development.
3. Under budget mainly due to less time being charged to activity.

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
6.1.1	Urban Planning and Policy Development			
Expenditure	-	-	-	535
Unspent portion of budget to be carried forward	n/a	-	-	n/a
6.1.2	Waterfront Development¹			
Expenditure	2,466	2,465	(1)	5,882
Unspent portion of budget to be carried forward	n/a	1,985	-	n/a
6.1.3	Public Spaces and Centres Development²			
Expenditure	16,466	3,395	(13,071)	3,325
Unspent portion of budget to be carried forward	n/a	443	-	n/a

1. Budget includes \$1.74 million carried forward from the 2013/14 year for the Waterfront Development Programme. Under budget due to delays in various waterfront renewal and upgrade projects including Frank Kitts Park, Clyde Quay public space and the TSB cladding renewal.
2. Budget includes \$1.85 million carried forward from the 2013/14 year for the Parliamentary Precinct and Tinakori improvement projects. Over budget due to costs of Victoria Street and Lower Cuba Street improvement projects approved by Council on 30th September 2014 as part of the 2014/15 Capital Expenditure Review. Offsetting this is changes to scope for the Eva/Leeds streetscape development and Kilbirnie projects (approved by GFP on 26 May 2015) as well as delays to the Lombard Lane and Newlands canopy projects.

6.2

Building and development control

Māherehere tāone, whanaketanga wāhi tuku- ihotanga, wāhi tūmatanui

We ensure developments do not harm the environment and that building works are safe and comply with the Building Code.

WHAT WE DO

Like all cities, we control building and development work according to the provisions of the Building Act 1991, the Resource Management Act 1991 and their District Plans. These controls are necessary to ensure that buildings are safe and compliant with the Building Code, that resources are used sustainably for future generations and that public health and safety is protected. They're also needed to protect urban character and to preserve the city's heritage.

We also have a statutory requirement to administer an Earthquake-prone Buildings Policy. The policy sets out processes to identify buildings that are below the required earthquake standards, and the requirements and timeframes for building owners to bring them up to the necessary standard. Our activities include:

- building control and facilitation (building consents)
- development control and facilitation (resource consents)
- earthquake risk mitigation - built environment.

WHAT WE ACHIEVED

We achieved accreditation as a Building Consent Authority (BCA) with a healthy clear pass. We must obtain accreditation to be able to issue building consents, complete inspections and issue a code compliance certificate. For the past two bi-annual assessments, we have been given a clear pass on the first visit from IANZ assessors.

We made amendments to the rates remission policy to increase resilience. The existing rates remission scheme was extended, so that earthquake prone buildings with a Heritage NZ listing are eligible for a longer rates remission of up to 10 years. This change provides more support for owners who undertake strengthening of these nationally important buildings.

We continued earthquake strengthening of Council properties.

The Council continued with the strengthening of its own buildings, including the strengthening of heritage buildings such as Clarrie Gibbons building in Post Office Square and Thistle Hall. The removal of the Portico was also completed, improving the seismic performance of the City Library and the Civic Administration Building. The aim of this strengthening program is to improve our resilience post- earthquake, while also supporting the preservation of important heritage buildings for future generations.

'QuakeSafe' initiative. The Earthquake Commission has provided funding for a residential property assessment programme for 100 randomly chosen homes. As part of this initiative, we arranged for the assessment of 33 homes. The elements required to 'Quakesafe' these homes will be collated and costed by a quantity surveyor and used to model the impact of an earthquake across the city.

HOW WE PERFORMED

This year in most cases, we complied with legislative requirements for timeliness and customers were increasingly satisfied with our services. While we did not achieve all our goals for mitigating earthquake risk, we are working towards reaching this target in future years.

We measure the timeliness of our legislative compliance processes and related services

Building consents (%) issued within 20 working days

Result: 98% (Target: 100%. 2013/14: 92%; 2012/13: 100%; 2011/12: 96%; 2010/11: 94%).

Source: WCC Building Compliance and Consents

Code Compliance Certificates (%) issued within 20 working days

Result: 96% (Target: 100%. 2013/14: 99%; 2012/13: 97%; 2011/12: 98%; 2010/11: 99%).

Source: WCC Building Compliance and Consents

Land Information Memorandums (LIMs) (%) issued within 10 working days

Result: 81% (Target: 100%. 2013/14: 91%; 2012/13: 100%; 2011/12: 100%; 2010/11: 100%).

This year we received a higher than average number of LIM requests, which coincided with periods of training for new staff. This low performance was restricted to some quarters, with 100% compliance achieved in other periods.

Source: WCC Building Compliance and Consents

Noise control (excessive noise) complaints (%) investigated within one hour

Result: 98% (target: 90%. 2013/14: 99%; 2012/13: 98%; 2011/12: 99%; 2010/11: 98%).

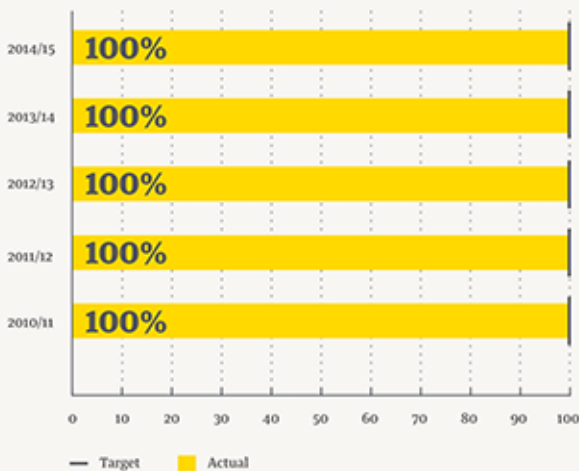
Source: City Planning and Design

Environmental complaints (%) investigated within 48 hours

Result: 99% (Target: 98%. 2013/14: 100%; 2012/13: 98%; 2011/12: 99%; 2010/11: 98%).

Source: City Planning and Design

Resource consents (non-notified) issued within statutory timeframes (20 working days)



Source: WCC Building Compliance and Consents

We measure the satisfaction of the services we provide

Customers (%) who rate building control services as good or very good

Result: 76% (Target: 70%. 2013/14: 69%; 2012/13: 70%).

Source: WCC GetSmart User Survey¹²

Customers (%) who rate development control services as good or very good

Result: 82% (Target: 70%. 2013/14: 76%; 2012/13: 53%).

This year our performance in this measure has lifted, significantly exceeding the target. In order to achieve this improvement, we revamped our resource consent page to make it more user friendly and to ensure that our processes are easy to engage with and understand. We also conducted targeted forums with those architects who engage with us regularly in order to encourage better understanding of each other's needs. We reinforced to staff the importance of communicating effectively with applicants, so that they understand when and why we make decisions.

Source: WCC Development Control Services Customer Satisfaction Survey¹³

Resource consents (%) that are monitored within three months of project commencement

Result: 99% (Target: 90%. 2013/14: 98%; 2012/13: 99%; 2011/12: 91%; 2010/11: 90%).

Source: City Planning and Design

We measure the standard of the services we provide

Building Consent Authority (BCA) accreditation retention

Result: Retained (Target: to retain status. 2013/14: retained; 2012/13: retained; 2011/12: retained; 2010/11: retained).

Source: WCC Building Compliance and Consents

Subdivision certificates (%) - Section 223 certificates issued within 10 working days

Result: 100% (Target: 100%. 2013/14: 100%; 2012/13: 100%; 2011/12: 100%; 2010/11: 100%).

Source: City Planning and Design

¹² This is an online post-application survey of building consent applicants. This year, we received 442 responses.

¹³ This is an online post-application survey of resource consent applicants. This year, we received 95 responses to the survey question concerning customer satisfaction.

We measure our progress on earthquake risk mitigation

Earthquake prone building notifications (section 124) (%) issued without successful challenge

Result: 99% (Target: 100%. 2013/14: 100%; 2012/13: 100%; 2011/12: 100%; 2010/11: 100%).

Source: WCC Earthquake Resilience

Earthquake strengthened Council buildings - programme achievement

Result: Not achieved. (Target: Monitor progress and stay on target. 2013/14: Partially achieved).

This year due to delays in strengthening the Town Hall and the Portico, we have not been able to achieve this target.

Source: WCC Earthquake Resilience

We measure uptake of the Financial Assistance Package (FAP)

Weather-tight houses - Financial Assistance Package (number of claims accepted and number of remediations claimed)

We accepted 8 claims and had 8 remediations claimed (No target. 2013/14: 3 claims accepted and 4 remediations claimed; 2012/13: 49 claims accepted and 23 remediations claimed).

Source: WCC Financial Planning

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
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6.2.3	Earthquake Risk Mitigation - Built Environment ⁴			
Expenditure	4,036	17,794	13,758	3,908
Unspent portion of budget to be carried forward	n/a	1,522	-	n/a

1. Over budget due to lower than expected building consents from Christchurch City Council, where we have a contract to support the Christchurch recovery.
2. Over budget mainly due to lower than expected revenue from resource consents.
3. Over budget due to higher staff costs which has attracted an additional allocation of organisation over-head.
4. Budget includes \$1.67 million carried forward from the 2013/14 year for earthquake strengthening programme work. Under budget due to rephasing of the programme agreed by the Council in September 2014. The key project is the strengthening of the Town Hall.

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
6.2.1	Building Control and Facilitation¹			
Expenditure	12,542	12,801	259	12,494
Revenue	(8,972)	(9,736)	(764)	(7,504)
Net Expenditure	3,570	3,065	(505)	4,990
6.2.2	Development Control and Facilitation²			
Expenditure	5,685	5,728	43	5,404
Revenue	(2,367)	(2,943)	(576)	(2,755)
Net Expenditure	3,318	2,785	(533)	2,649
6.2.3	Earthquake Risk Mitigation - Built Environment³			
Expenditure	1,823	1,469	(354)	1,736
Revenue	-	-	-	(7)
Net Expenditure	1,823	1,469	(354)	1,729



Transport Waka

The Council's transport work includes transport planning, managing the city's assets and network of roads, cycleways and walkways, managing parking in the city and promoting safety.

Our work is essential for connections between people, their ability to interact with each other and their enjoyment of the city and what it has to offer. It is necessary for the economy, the ability of businesses to reach their markets and to promote collaboration and innovation.

OUR TRANSPORT OBJECTIVES

INCREASED ACTIVE MODE SHARE

- Wellington has the highest number of residents in the country who use public transport or alternative modes of transport to get to work. We drive, walk, bus, train and cycle to work and the Council is committed to working with our partners to achieve a balanced approach, with a strong focus on public transport and cycle options.

ROAD SAFETY

- Wellington's transport grid is a safe network, with the number and social cost of road accidents decreasing substantially in recent years. We utilise a vast network of road signs and traffic signals to make Wellington's roading network safer and over the next 10 years we will establish a strategic cycling network designed to make cycling in and around the city safer. We will also continue our tunnel seismic upgrade work in order to meet Building Code requirements.

RELIABLE TRANSPORT ROUTES

- An efficient and effective network will only be successful if it is also reliable and we are working closely with our partners to improve our transport network and routes. We also continue to look at opportunities for improving bus operations along the 'core' Bus Rapid Transport (BRT) spine.

REDUCED EMISSIONS

- Our transport planning makes for more efficient and effective movement of people and goods, reducing the city's carbon emissions. Our work to retain Wellington's status as a compact city results in a smaller carbon footprint, less pollution and fewer emissions. Our successful Unique Emissions Factor application has also reduced our carbon liability.

OUR TRANSPORT ACTIVITIES CONTRIBUTE TO 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 to connect with people and places in the central city for businesses, work or leisure.

An eco-city: They reflect a commitment to sustainable, safe and efficient transport choices, including walking and biking.

A 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.

Case study

Johnsonville

Johnsonville is Wellington City's busiest retail area outside the central city and its settlement and shaping have in the past depended on transport connections linking the town to the wider region. As part of the Council's Johnsonville Town Centre Plan and the Wellington Urban Growth Plan, the roading network in Johnsonville is being improved to make sure there is efficient and choice of transport movement in and around the town centre.

The benefits and outcomes from undertaking improvements to the Johnsonville's roading network will include less traffic congestion in the town centre and reduced peak-hour queues on the State Highway 1 off-ramp, safe and easy walking and cycling routes, more reliable bus journey times and boosting the local economy through encouraging commercial and residential growth. The work involved includes providing a two-lane off-ramp from State Highway 1, new traffic lights and pedestrian crossings, replacing the Broderick Road/Moorefield Road bridge with a new bridge that will be longer and wider to allow for cycle lanes and future train options, a path for cyclists and pedestrians to by-pass the two northern roundabouts and better bus flow around the Johnsonville triangle (Johnsonville, Moorefield, Broderick roads).

Many people from neighbouring suburbs, including Churton Park, Tawa, Newlands, Khandallah, Ngaio and Crofton Downs, use Johnsonville as their main place to shop, do business and use recreation facilities.



7.1

Transport

Waka

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

WHAT WE DO

Wellingtonians are the highest users of public transport in New Zealand and between 200,000 and 300,000 people use some form of the city's transport network daily. Among other things, our transport network offers Wellingtonians bridges, tunnels, bus shelters and approximately 18,000 street lights.

An effective public transport network helps reduce congestion and the city's carbon emissions.

A high proportion of residents walk and cycle to work, thereby reducing private vehicle usage.

Our activities include:

- **transport planning** - we plan for an efficient transport system that allows people and goods to move freely within and through the city
- **vehicle network** - we provide 684km of road, 54 road bridges (road and pedestrian), 5 tunnels and 2,397 walls
- **passenger transport network** - we provide 450 bus shelters, 1,323 bus stops and bus lanes on key bus routes
- **pedestrian and cycle network** - we provide 24.3km of cycle ways and 858km of pedestrian paths, 132km of handrails, guardrails and sight rails
- **road safety** - 21,499 signs and 111 traffic signals.

WHAT WE ACHIEVED

We implemented a Cycling Framework. Over the next 10 years we will establish a strategic cycling network and improve local cycling routes. These works will join schools, tertiary campuses and businesses and connect the city's cycle network with the growing regional and national networks. We will seek to take advantage of the central government's Urban Cycleway Fund, by working collaboratively with the NZTA to deliver the Central, Eastern and Northern packages in the first 3 years of the LTP 2015/25. This framework will encourage greater transport network efficiency, effectiveness, resilience and will contribute to Wellington becoming a more

sustainable, liveable and attractive city, with improved safety for people on bikes.

We worked with Greater Wellington Regional Council and New Zealand Transport Agency on Wellington Public Transport Spine. In the last year, we completed an assessment of physical corridor constraints and opportunities for improved bus operations along the 'core' Bus Rapid Transport (BRT) spine between the Railway Station and Wellington Hospital, whilst also looking at the needs of cyclists in this area. In August 2014, Council started a joint project with the NZTA to 'unlock' the Johnsonville Triangle and improve traffic movement in and through the area. Improvements include the widening of a bridge motorway off ramp, new traffic signals, new cycle lanes and improved pedestrian crossings. These works are expected to be complete by the end of September. We have also provided NZTA with significant technical advice on the Memorial Park and the upgrade works on Karo Drive, including detailed intersection design and optimisation of traffic signals.

We continue to work with the agency on their planning for the Roads of National Significance projects, including the Basin Reserve to Cobham Drive and Terrace Tunnel duplication.

We strengthened our tunnels, bridges and roads. The Hataitai Bus Tunnel seismic upgrade work was completed to bring the tunnel up to Building Code requirements. We completed storm damage repairs on the sea walls at Karaka Bay, Shelly Bay and Owhiro Bay and we strengthened the retaining wall situated near Marsden School in Karori. We also continued with repair work on and the fifth and final stage of the Aotea Quay Bridge.

We improved our street lighting. We have installed new LED street lights in Cuba Mall. These lights have raised the level of lighting to be consistent with Courtenay Place and the Victoria Street upgrade works and have reduced power consumption in Cuba Mall by almost 80%. LED lights have also been installed on Grenada Road, as this previously unlit stretch of road is becoming busier, due to increased developments in the area and the location of a crèche.

HOW WE PERFORMED

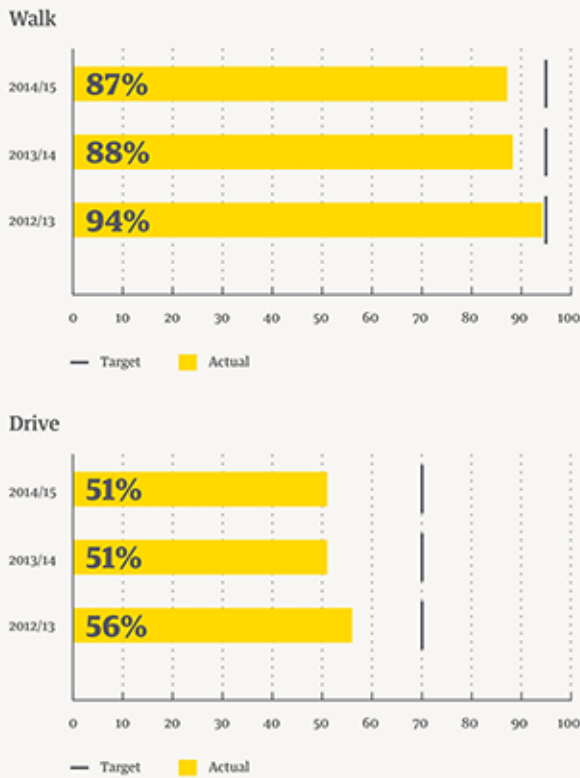
We have not reached all our targets for ease of movement around the city or peak travel times, although mode of transport levels have remained steady and more people

are cycling into the CBD. Our transport infrastructure is of a high quality and resident satisfaction with our services is growing. While our quarry target was not achieved, any non-compliance events were not considered major and we are working on resolving these issues.

We measure the movement towards more sustainable transport options

We measure the efficient movement of people and goods

Residents (%) agreement that the transport system allows easy movement around the city - vehicle users and pedestrians



Source: WCC Residents Monitoring Survey 2015

This year, 29% of residents found it difficult to drive around the city, while 21% had a neutral stance on this issue.

Peak travel times between CBD and suburbs

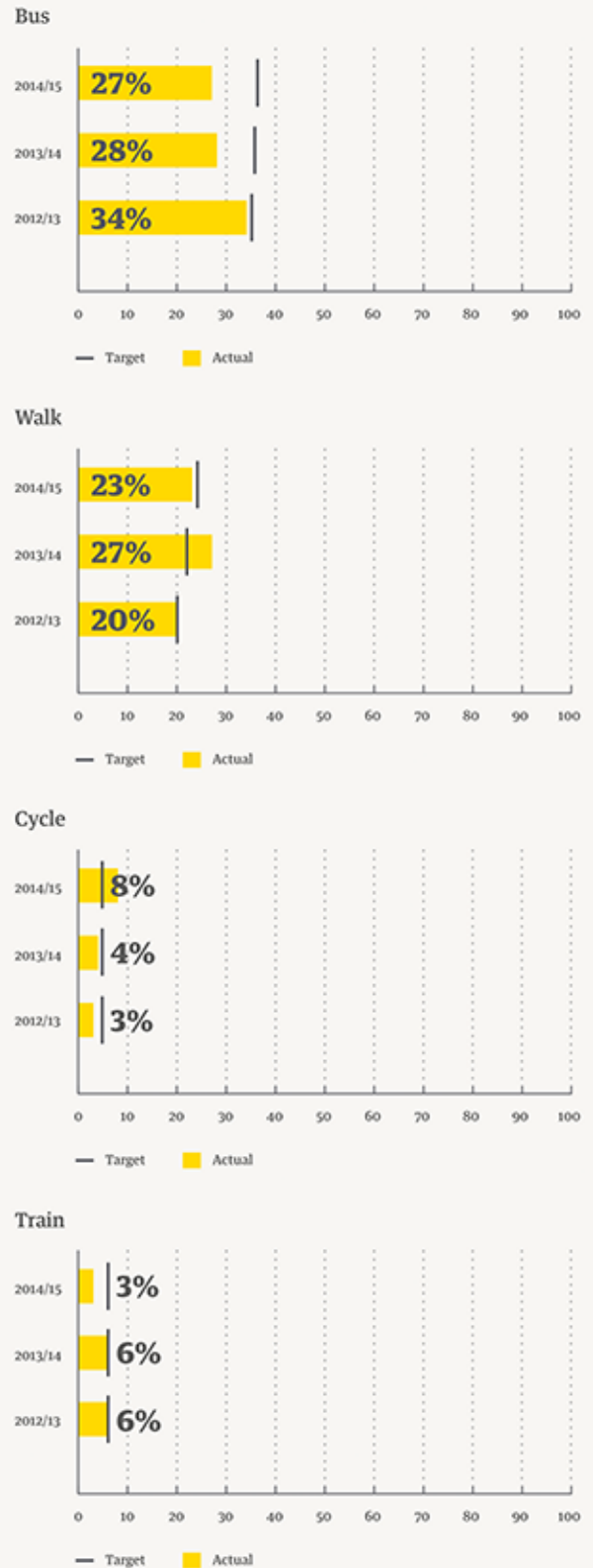
	2010/11	2011/12	2012/13	2013/14	2014/15
Miramar	9.0-19.0	8.0-20.0	10.0-15.0	11.0-13.3	10.9-16.9
Karori	8.0-20.0	8.5-27.0	9.0-24.0	10.8-13.4	9.4-16.5
Island Bay	8.0-16.0	7.0-14.0	8.0-21.0	10.4-15	11.2-15.3
Johnsonville	7.0-24.0	7.0-28.0	7.0-26.0	7.8-19.0	8.5-11.5

Target is to maintain or improve on these times.

This table represents peak travel times using a vehicle as the mode of transport. The two figures included are the lower and upper times for the journey. This data is sourced from our travel time surveys, which are conducted over several days annually.

Source: City Networks

Mode of transport into the central city (weekdays)



Source: WCC Residents Monitoring Survey 2015

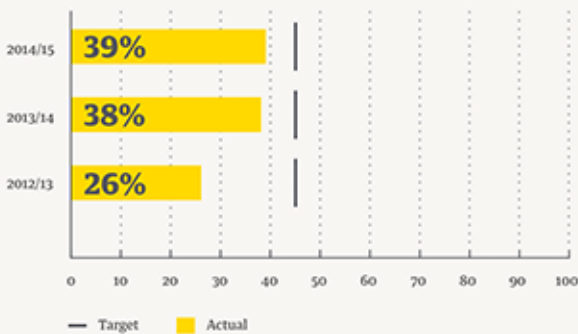
Cyclists and pedestrians entering the CBD weekdays

Result: 10,515 cyclists (Target: increase from 2013/14. 2013/14: 8,111); 54,319 pedestrians (Target: increase from 2013/14. 2013/14: 58,750).¹⁴

This year we saw a significant increase in the number of cyclists entering the CBD. Results in this measure continue to improve year-on-year, and this positive trend reflects our on-going efforts to improve performance within this area.

Source: City Networks

Primary school children (%) who walk to and from school daily



Source: WCC Residents Monitoring Survey 2015

This year we have not met our target for primary school children walking to school daily but 27% of children walk on a weekly basis, and only 23% of children never walk to school.

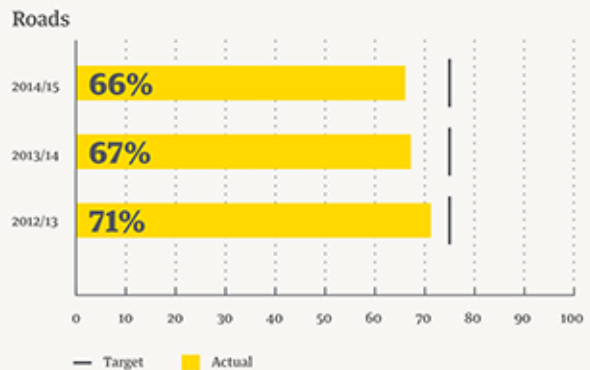
Cable car passenger numbers

Result: 974,838 passengers (Target: 1,005,847. 2013/14: 953,101; 2012/13: 1,060,458; 2011/12: 1,067,634).

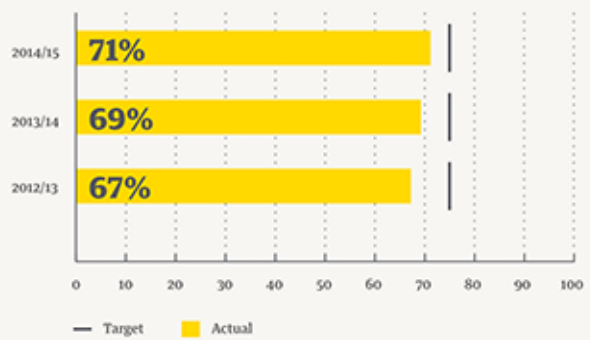
Source: Wellington Cable Car Ltd

We measure the standard of transport infrastructure and service

Residents' (%) condition rating of the city's roads and footpaths (good and very good)



Footpaths



Source: WCC Residents Monitoring Survey 2015

This year only 10% of residents considered the condition of roads to be poor, while 24% had a neutral stance on this issue.

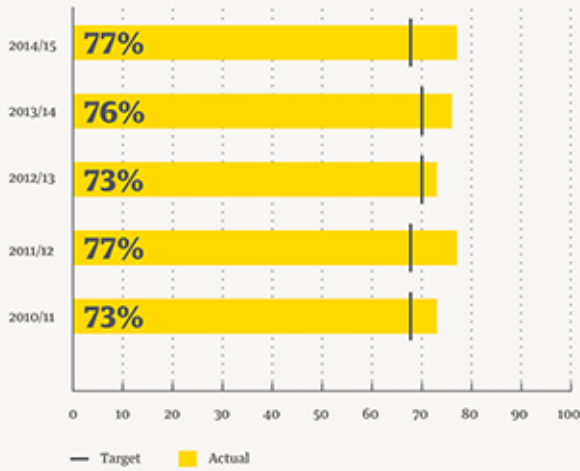
Requests for service

Result: we responded to 96% of a total 885 urgent requests for service within two hours (Target: 100%. 2013/14: 84%; 2012/13: 97%; 2011/12: 97%; 2010/11: 100%) and 97% of non-urgent request for service within 15 days (Target: 100%. 2013/14: 89%; 2012/13: 96%; 2011/12: 97%; 2010/11: 100%).

Source: City Networks

¹⁴ In 2013/14, due to a typographical error, we misreported our performance in this measure. Previous results have now been replaced with accurate data.

Roads (%) that meet smooth roads standards (smooth roads - measured by Smooth Travel Exposure based on NAASRA counts)



Source: City Networks

Footpath condition rating - % compliant with WCC standards

Result: 98% (Target: 97%. 2013/14: 97%; 2012/13: 92%; 2011/12: 97%; 2010/11: 97%).

We use and measure against footpath condition rating Standard 17.

Source: City Networks

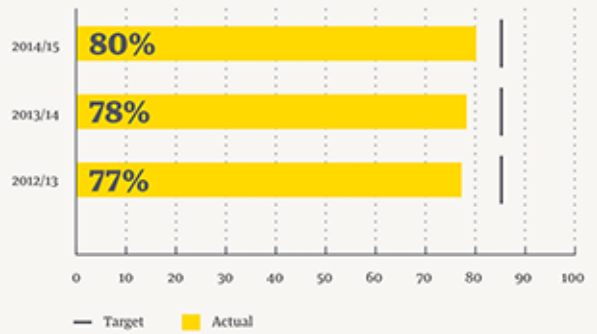
Street lighting (%) for major roads (arterial, principal and collector roads) meets national standards

Result: 97% of lights comply (Target: 100%. 2013/14: 93%; 2012/13: 93%; 2011/12: 94%; 2010/11: 93%).

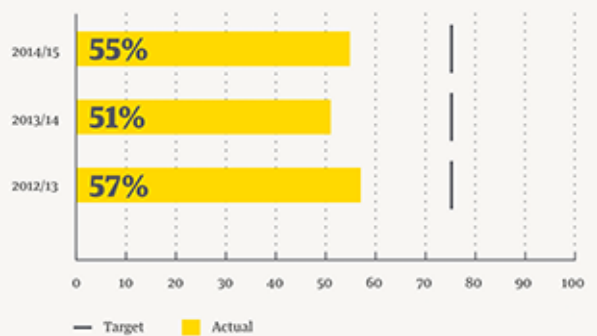
Source: City Networks

Residents' (%) satisfaction with street lighting in central city and suburban areas

Central city



Suburban areas

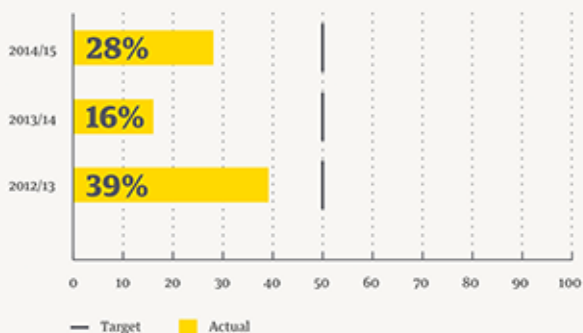


Source: WCC Residents Monitoring Survey 2015

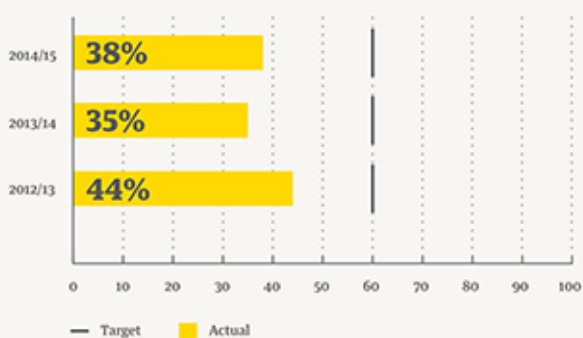
This year, 26% of residents were dissatisfied with the quality of street lighting in their suburban area, while 18% were neither satisfied nor dissatisfied.

User satisfaction (%) with the safety and maintenance of cycleways

Safety



Maintenance



Source: WCC Residents Monitoring Survey 2015

This year we did not meet our targets against this measure but our performance, particularly for user satisfaction with safety, has lifted. Improving the safety and maintenance of cycleways is a focus of the Council's work, as reflected by the ongoing development of our cycling framework, and we are working towards achieving our targets in future years.

Residents (%) who agree that WCC transport network services provided good value for money

Result: 70% of residents agree that Council transport network provides good value for money (Target: 75%. 2013/14: 64%; 2012/13: 65%)

Source: WCC Residents Monitoring Survey 2015

Sea wall and retaining wall condition rating

Result: 91% of walls are rated '3' or better - '1' being very good and '5' very bad (Target: 90%. 2013/14: 91%; 2012/13: 91%; 2011/12: 95%).

Source: WCC Infrastructure

Quarry

Result: Not achieved (Target: to meet legislative compliance. 2013/14: Achieved).

There have been two non-compliance events this year. The first incident was an environmental breach of consent relating to the quality of water discharged. This breach resulted in a warning only, with no formal action undertaken by GWRC. The second incident occurred when heavy rainfall resulted in significant surface run-off and floodwater entering the stream. GWRC was notified but took no action, as the event was deemed to be beyond the quarry operator's control.

Source: City Networks

We measure progress towards increasing transport safety

Road casualties (per 10,000 of the population)

	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Vehicles	47.2	29.2	26.3	12.9	25
Pedestrians	3.7	3.7	3.3	3.1	3
Cyclists	3.3	2.3	3.3	3.2	3

Targets (maximum per 10,000 population): Vehicle 15.2; Pedestrians 4; Cyclists 3.3.

This year we saw a rise in the number of road casualties caused by vehicles. Road casualties are generally measured over a minimum 5 year period to take out the statistical variation. This year's variance goes against recent trends, and is likely to be a statistical blip.

Source: NZ Transport Agency

WHAT IT COST

OPERATING EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
7.1.1 Transport Planning				
Expenditure	1,309	1,108	(201)	1,038
Revenue	(132)	(56)	76	(135)
Net Expenditure	1,177	1,052	(125)	903
7.1.2 Vehicle Network¹				
Expenditure	21,579	23,136	1,557	21,362
Revenue	(3,594)	(1,284)	2,310	(4,459)
Net Expenditure	17,985	21,852	3,867	16,903
7.1.3 Cycle Network				
Expenditure	705	692	(13)	441
Revenue	(8)	(27)	(19)	(10)
Net Expenditure	697	665	(32)	431
7.1.4 Passenger Transport Network²				
Expenditure	1,260	1,612	352	1,552
Revenue	(1,057)	(1,025)	32	(997)
Net Expenditure	203	587	384	555
7.1.5 Pedestrian Network³				
Expenditure	6,027	6,579	552	6,008
Revenue	(57)	(39)	18	(112)
Net Expenditure	5,970	6,540	570	5,896
7.1.6 Network-wide Control and Management				
Expenditure	6,356	6,285	(71)	6,125
Revenue	(2,057)	(2,101)	(44)	(1,759)
Net Expenditure	4,299	4,184	(115)	4,366
7.1.7 Road Safety⁴				
Expenditure	6,303	5,971	(332)	5,811
Revenue	(1,747)	(1,737)	10	(1,525)
Net Expenditure	4,556	4,234	(322)	4,286

- Under budget due to vested assets revenue and savings on depreciation, following the revaluation of infrastructure assets.
- Under budget due to higher bus shelter contract revenue and savings on depreciation, following the revaluation of infrastructure assets.
- Under budget due to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.
- Over budget due to depreciation costs, following the revaluation of infrastructure assets.

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
7.1.2 Vehicle Network⁵				
Expenditure	29,895	24,584	(5,311)	19,278
Unspent portion of budget to be carried forward	n/a	1,281	-	n/a
7.1.3 Cycle Network⁶				
Expenditure	2,428	3,852	1,424	1,886
Unspent portion of budget to be carried forward	n/a	500	-	n/a
7.1.4 Passenger Transport Network⁷				
Expenditure	123	161	38	171
Unspent portion of budget to be carried forward	n/a	-	-	n/a
7.1.5 Pedestrian Network				
Expenditure	3,746	3,851	105	3,775
Unspent portion of budget to be carried forward	n/a	-	-	n/a
7.1.6 Network-wide Control and Management⁸				
Expenditure	2,397	2,055	(342)	1,891
Unspent portion of budget to be carried forward	n/a	-	-	n/a
7.1.7 Road Safety⁹				
Expenditure	2,803	2,833	30	1,873
Unspent portion of budget to be carried forward	n/a	99	-	n/a

- Budget includes \$1.30 million carried forward from the 2013/14 year predominantly for the seismic strengthening of the Hataitai Bus Tunnel. Over budget due to the Johnsonville road improvements programme being ahead of schedule. Unbudgeted NZTA revenue offsets the majority of the variance, and additional expenditure was approved by the Council on 30th September 2014 (2014/15 Capital Expenditure review) and by GFP on 26 May 2015 (2014/15 Third Quarter Report and Capital Expenditure update).
- Under budget due to delays in commencement of construction on the Island Bay cycleway and Karori road wall projects. Both projects are now scheduled for 2015/16.
- Under budget due to savings achieved in delivering the 2014/15 bus shelter programme.
- Over budget due to costs of accelerated renewal of LED Traffic Signal lantern, as approved by the Council on 30th September 2014 as part of the 2014/15 Capital Expenditure Review.
- Budget includes \$203,000 carried forward from the 2013/14 year for street lighting renewals.

7.2

Parking

Ratonga tūnga waka

Parking in the CBD is important for shoppers, tourists and those working in and visiting the city.

WHAT WE DO

We provide around 10% of the parking in central Wellington. This consists mainly of around 12,000 on-street parking spaces, of which 3,400 are in the CBD, along with some off-street parking and street spaces for taxis, couriers, people with disabilities, bus stops and diplomatic services. We also manage off-street parking at Clifton Terrace, the Michael Fowler Centre and beneath Civic Square.

WHAT WE ACHIEVED

We brought our parking services in-house, as of July 2014, with a complete overhaul of staff roles, including new branding, technology and aligned customer services. We have also established and successfully integrated a Parking Services business group to oversee staff training, processes and values to enhance our delivery of services.

We upgraded our technology. We embarked on a parking sensors trial and focussed on two streets in Wellington, Blair and Allen Streets, for their unique parking urban design. The trial will conclude in September 2015.

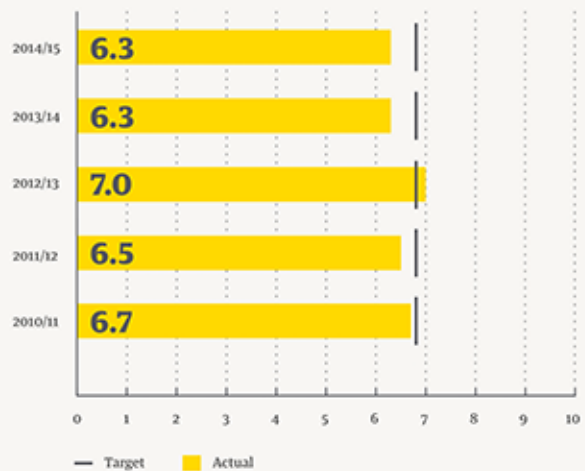
HOW WE PERFORMED

This year turn-over rates remained largely steady and average occupancy increased. While resident satisfaction levels did not meet target, there has been a significant improvement in residents' perception that parking enforcement is fair.

We measure the standard of the provision of parking

On-street car park turn-over rates (cars per day) - weekdays and weekends

Weekday



Weekend



Source: WCC Community Networks

On-street car park average occupancy (%)

Result: Overall occupancy 80% (Target: 75%. 2013/14: 74%; 2012/13: 75%; 2011/12: 65%; 2010/11: 76%).

Source: WCC Infrastructure

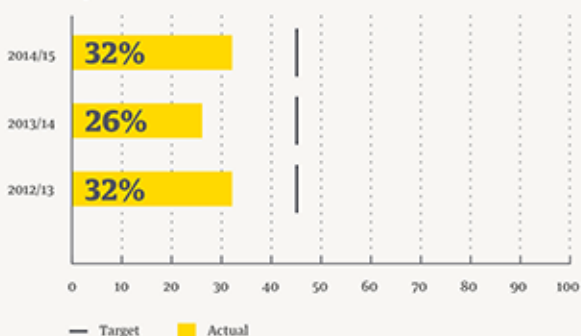
On-street car park compliance - time restrictions and payment

Result: Time restrictions = n/a (Target: 95%. 2013/14: 93%; 2012/13: 94%; 2011/12: 95%);
Payment = n/a (Target: 90%. 2013/14: 85%; 2012/13: 85%; 2011/12: 82%).¹⁵

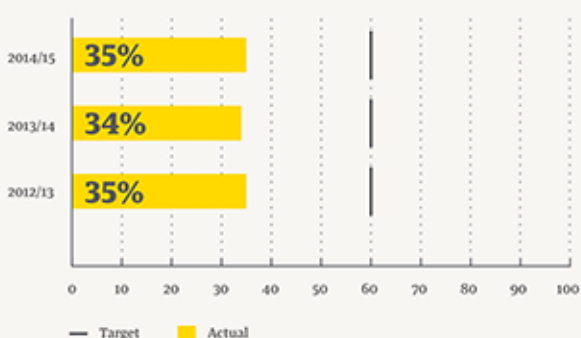
Source: WCC Infrastructure

Residents' satisfaction with the availability of on-street car parking

Weekday



Weekend



Source: WCC Residents Monitoring Survey 2015

This year we have not met our targets for residents' satisfaction with parking availability. On weekdays, 38% of residents were dissatisfied with parking availability, while 30% were neither satisfied nor dissatisfied. In the weekend, 37% of residents were dissatisfied, while 28% had a neutral stance on this issue.

Residents' perceptions (%) that parking enforcement is fair

Result: 50.3% of residents believe that parking enforcement is fair (Target: increase from previous year. 2013/14: 33%; 2012/13: 33%).

This year we have seen a significant improvement in the number of residents who believe that parking enforcement is fair. We believe that this improvement reflects our decision to bring parking services in house, along with alignment of parking services with our 'Local Host' on-street ambassador service.

Source: WCC Residents Parking Survey 2015¹⁶

WHAT IT COST

OPERATING EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
7.2.1 Parking				
Expenditure	10,354	11,936	1,582	11,553
Revenue	(24,010)	(26,022)	(2,012)	(24,734)
Net Expenditure	(13,656)	(14,086)	(430)	(13,181)

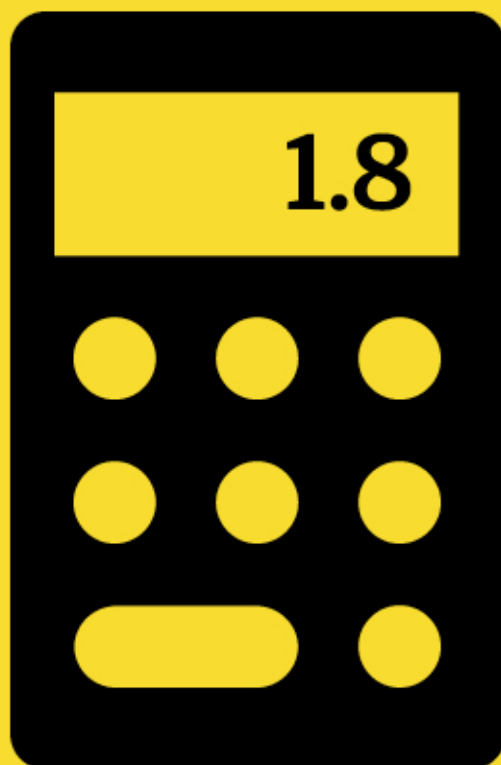
CAPITAL EXPENDITURE (\$000)	ACTUAL 2015	BUDGET 2015	VARIANCE 2015	ACTUAL 2014
7.2.1 Parking¹				
Expenditure	89	180	91	1
Unspent portion of budget to be carried forward	n/a	-	-	n/a

- Under budget due to savings made in the parking sensors pilot project.

¹⁵ This year, due to the re-establishment of parking services in-house, we have been unable to collect this information.

¹⁶ This item was collected separately to the second part of the Residents Monitoring Survey following the same methodology. A slightly larger sample size was collected for this survey; however, the same weighting was performed as with part 1 and part 2 to match the samples perfectly on ward, gender and age group.

Financial Statements



A well-managed city - the financial overview

We have had another well managed year, with the Council recording an underlying net surplus of \$1.8 million, compared to a breakeven budget. This equates to a variance of 0.4% of total operating expenditure. We have delivered our broad range of services from roading and sewerage to parks, pools, sportsfields and libraries, at a cost of just \$5.95 per resident per day, an increase of 2.2% over last year.

In addition to maintaining the high standard of delivery for all our services, a key goal for this year was to increase our focus on growing the economy and encouraging development. The resulting growth in the rating base means there are more ratepayers to spread the cost of delivering services across. The City's rating base grew by 1.4% in 2014/15 indicating the local economy is picking up, setting a platform for the invest to grow strategy that underpins our 2015/25 Long-term Plan.

A further indicator of growth in the City is the level of assets vested to the Council. Vested Assets are non-cash items such as roads, streetlights, water, waste water, and storm water pipes that often arise from sub-division work undertaken. In addition to \$2.1 million of development contributions received, \$12.4 million of assets were vested to the City during the year, an increase of \$3.8 million (44%) over the last 5 year average. This takes Vested Assets passed to the Council to \$31.5 million over the last 3 years.

By improving our planning, forecasting and delivery processes we have been able to better manage the expectations of our asset renewal and upgrade budgets this year. Total capital expenditure for the year was \$146.5 million compared to a budget (including carry forwards) of \$166.9 million. This difference primarily relates to the anticipated deferral of significant upgrade projects including earthquake strengthening of the Town Hall and increasing the capacity of the city landfill along with some delays in completion of social housing and swimming pool projects.

We have met 12 out of 13 government benchmarks required to be disclosed under the Financial Reporting and Prudence regulations. The purpose of these benchmarks is to enable an assessment of whether we are prudently managing our finances. They are summarised later in this overview and reported in detail in the Financial Prudence section on page 213.

BALANCED BUDGET REQUIREMENT

In order to encourage growth in the City, our financial strategy takes into consideration the level of rate increases, level of borrowings and our ability to 'balance our budget', as required by the Local Government Act 2002.

The balanced budget requirement is closely linked to the principle of intergenerational equity, the notion that each generation of ratepayers pays their fair share for the goods and services that they use. As part of this principle, coupled with good financial governance and stewardship, we aim to ensure:

- assets are not run down for future generations to pay
- debt is not used to fund operating expenditure, unless there are clear intergenerational considerations
- debt levels are regularly reviewed to ensure that projected debt levels will not restrict a future Council's ability to fund new assets through debt
- operational expenditure implications of capital expenditure decisions are considered.

UNDERLYING OPERATING RESULT

Our balanced budget requirement means we budgeted for a break-even underlying operating result. The main contributors to our actual \$1.8 million underlying surplus are summarised in the table below.

	ACTUAL 2015 \$m
UNBUDGETED REVENUE / EXPENDITURE	
Restatement of weathertight homes provision	(1.0)
Insurance costs (net of recoveries) funded through insurance reserve	(1.6)
Total unbudgeted revenue / expenditure	(2.6)
VARIATIONS FROM BUDGET	
Decrease in rates revenue	(0.5)
Decrease in revenue from activities	(0.3)
Dividends in excess of budget (inc Wellington Intl Airport Ltd)	2.0
WIAL resource consent contribution	(2.0)
Decrease in net interest expense	2.8
Decrease in depreciation	3.9
Other net variances	(1.5)
Total variations from budget	4.4
COUNCIL UNDERLYING VARIANCE EXCL RING-FENCED AMOUNTS	1.8

NET SURPLUS

The Council's financial statements show the impact of the underlying surplus, plus a number of items, including revenue received for capital projects not available to offset rates. For example, subsidies paid by New Zealand Transport Agency (NZTA) to help fund the renewal and upgrade of our roading network. Accounting rules require these to be included within the net surplus even though the related capital expenditure is not. The operating surplus in the financial statements also includes a number of other non-cash items including the value of assets which are vested to the Council by external parties and the increase in valuation of Investment Properties. With the inclusion of these adjustments, the Council budgeted for an operating surplus of \$26.4 million for the 2014/15 year. The actual surplus for the year is \$35.5 million; noting that this difference can be attributed to items that are both non-cash in nature and not available to offset rates.

The table below shows the key items that contribute to the Council's net operating surplus for the year as recorded in the financial statements.

	ACTUAL 2015 \$m	BUDGET 2015 \$m	VARIANCE \$m
UNDERLYING SURPLUS	1.8	0	1.8
EXCLUDE NON-CASH FUNDED ITEMS			
Vested Assets ¹	12.4	0.0	12.4
Fair Value movements ²	6.9	0.0	6.9
Gain/(Loss) and impairment of assets (net)	(5.1)	0.0	(5.1)
Gain on acquisition (WREDA)	1.3	0.0	1.3
Unfunded depreciation ³	(20.0)	(19.6)	(0.4)
EXCLUDE REVENUE FOR CAPITAL ITEMS			
NZTA Subsidy on capital work	18.1	10.6	7.5
Development Contributions	2.1	2.0	0.1
Housing Upgrade Project Capital Grant and ring-fenced activities	13.4	32.1	(18.7)
Bequests, trust and other external funding	2.3	0.7	1.6
OTHER ADJUSTMENTS			
Transfers to provisions & reserves	4.0	4.0	0.0
Additional net expenditure on Venues Projects and Joint Ventures with Porirua	0.8	0	0.8
Less variance from ring-fenced activities	(2.5)	(3.4)	0.9
REPORTED NET SURPLUS	35.5	26.4	9.1

1. Vested Assets are assets where the ownership of the asset have been transferred to the Council and are non-cash in nature.
2. Fair Value movements describes the change in market value for assets that are revalued, these movements are non-cash in nature and primarily relate to annual Investment Property revaluations.
3. Unfunded depreciation is the amount of depreciation that is not funded by rates and relates mainly to roading assets that are funded by NZTA and sewerage treatment assets where the operator has responsibility for asset renewal.

Other items

In addition to the net surplus, the Statement of Comprehensive Revenue and Expense also includes revaluation movements for property, plant and equipment and other fair value adjustments. While these do not impact our rate funding requirement they do have an impact on our equity.

In 2015 we revalued our operational land and building assets, in line with our 3-yearly revaluation policy. Our 2014/15 Annual Plan budgeted for an increase of \$57.1 million reflecting the anticipated increase value since the last revaluation in 2012.

The actual revaluation of these assets resulted in an increase in asset values of \$11.2 million reflecting lower increase in values of social housing and associated land than anticipated.

The increase in asset values is caused by restating our assets (that are being revalued) into current dollar value after taking into account land value and condition of Housing stock.

During the year we recorded net Comprehensive Revenue and Expense of \$29.7 million, this increases our overall equity by approximately 0.5%. This is explained further in the Financial Position and Changes In Net Worth sections of this overview.

Revenue

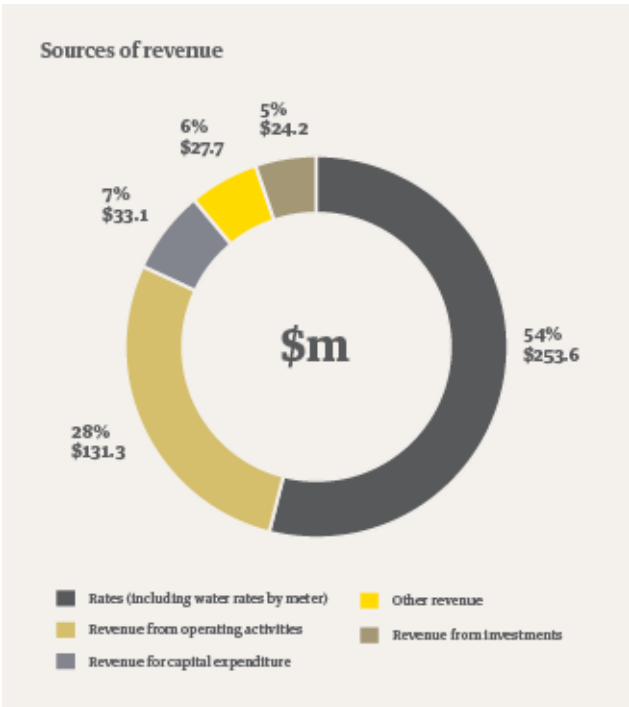
Deciding who pays

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

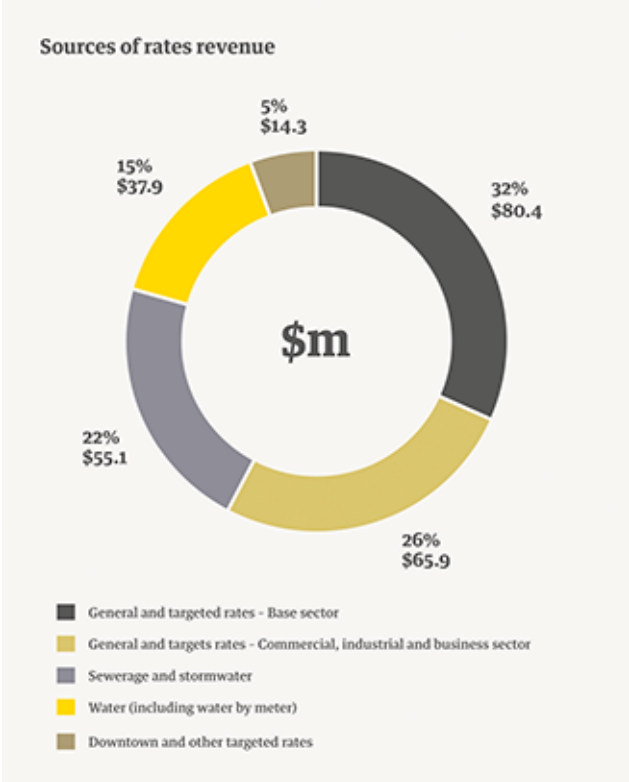
- community outcomes that the activity contributes to
- who benefits - individuals, identifiable parts of the community, or the community as a whole
- the timeframe in which the benefit occurs - for example, an asset that lasts for several generations will generally be funded initially through borrowing - with ratepayers paying their share each year by funding depreciation on the asset (which pays off borrowing), so that everyone who benefits, present and future, contributes.

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

During the year we received total revenue of \$469.9 million compared to a budget of \$450.2 million. The variance is largely due to unbudgeted vested assets (which while not cash in nature are required to be shown as revenue) and higher than expected revenue from Wellington Venues and our share in joint ventures with Porirua City Council.

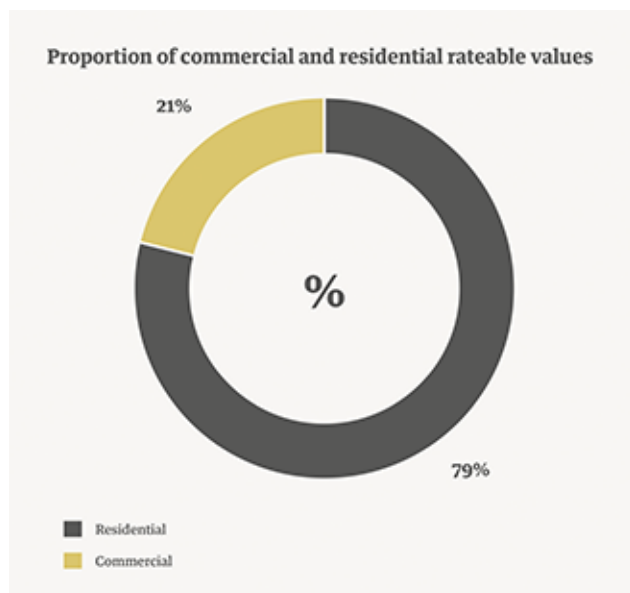
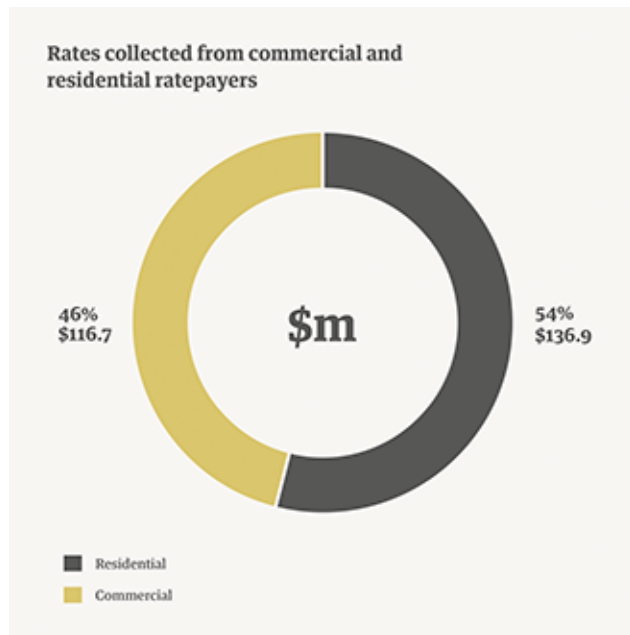


Rates are our main source of funding, with revenue from operating activities (including user fees), being the next largest source. Some of our other sources of revenue include revenue for capital expenditure, revenue from interest and dividends.



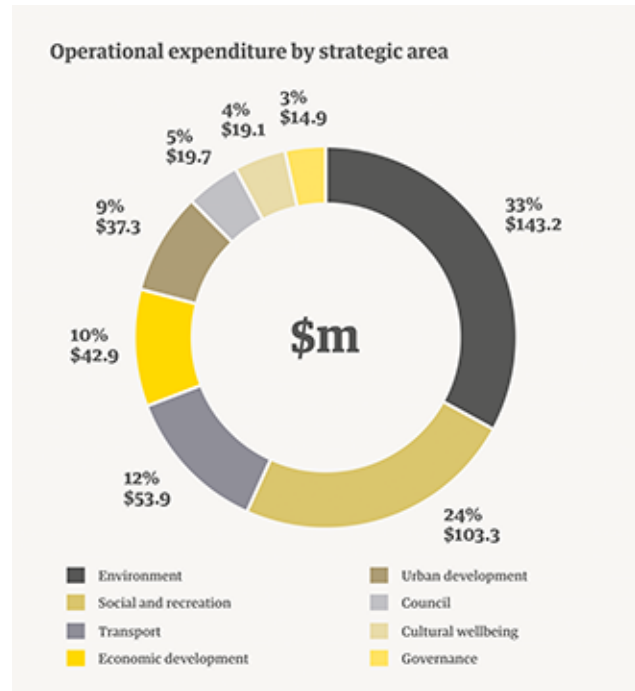
In 2015 we received \$253.6 million of revenue from rates.¹⁷ Rates revenue includes general rates levied on properties and a range of targeted rates including water, stormwater and sewerage rates, along with sector and area based rates.

General rates revenue is collected based on property rateable values. We currently apply a general rates differential of 2.8:1. This means that commercial properties pay 2.8 times more general rates per dollar of rateable value than non-commercial properties. This impacts on the value of total rates collected from each sector as shown in the graphs below.



Expenses¹⁸

Our total expenses for the year were \$434.3 million which represents the cost of running the city during the year. Our activities are divided into strategic areas of focus:



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

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

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

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

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

Council includes costs associated with deriving council-wide revenue.

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

Governance includes community engagement, Council elections and meetings.

¹⁷ Annual Report, Notes to the financial statements, Note 1: Rates Revenue, page 143

¹⁸ Annual Report, Statement of Comprehensive Revenue and Expenses, page 123.

The table below shows the gross cost per Wellington resident¹⁹ per day for each strategic area. This is funded through a combination of rates, user charges, revenue from investments and other grants and subsidies.

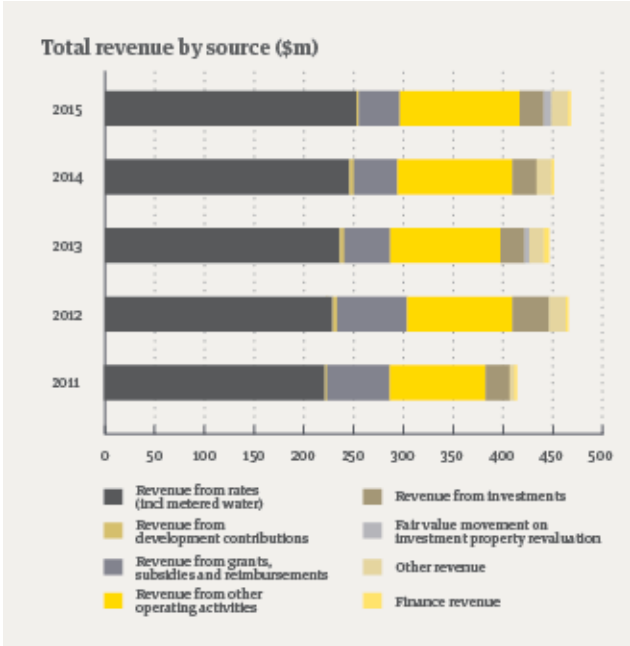
Cost per strategic area per resident per day

STRATEGIC AREA	TOTAL COST \$m	COST PER RESIDENT PER YEAR \$	COST PER RESIDENT PER DAY \$
Governance	14.9	74	0.20
Environment	143.2	716	1.96
Economic development	42.9	215	0.59
Cultural wellbeing	19.1	95	0.26
Social and recreation	103.3	517	1.42
Urban development	37.3	187	0.51
Transport	53.9	269	0.74
Council	19.7	99	0.27
	434.3	2,172	5.95

OUR PERFORMANCE OVER TIME

This section sets out our financial performance over the last 5 years.

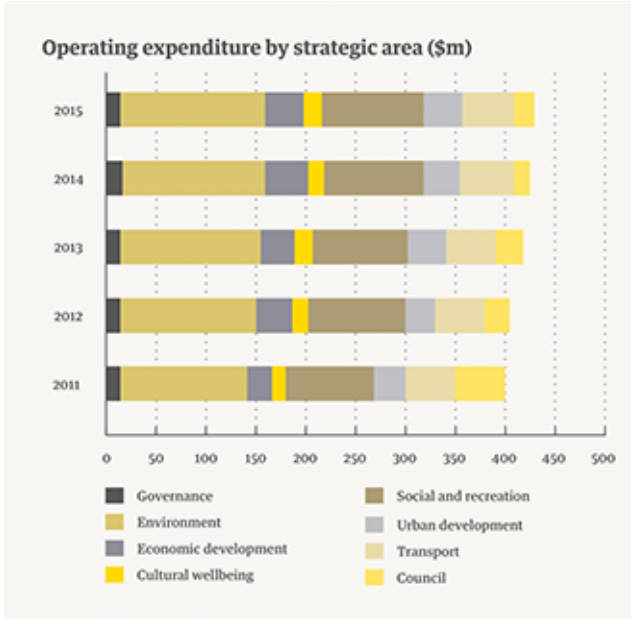
Revenue



Our revenue is particularly influenced by the amount of grants we receive for capital expenditure in any one year. This varies depending on the annual capital expenditure programme to be funded.

Operating expenditure

The level of operating expenditure for each of strategic areas over time is summarised below.



FINANCIAL POSITION

Changes in net worth

This section explains our financial position, focussing on net worth (equity), capital expenditure and debt.

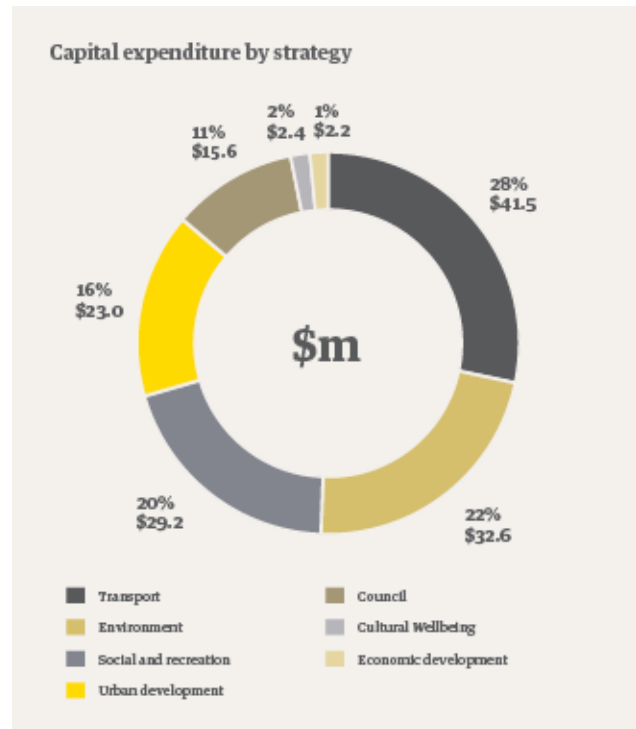
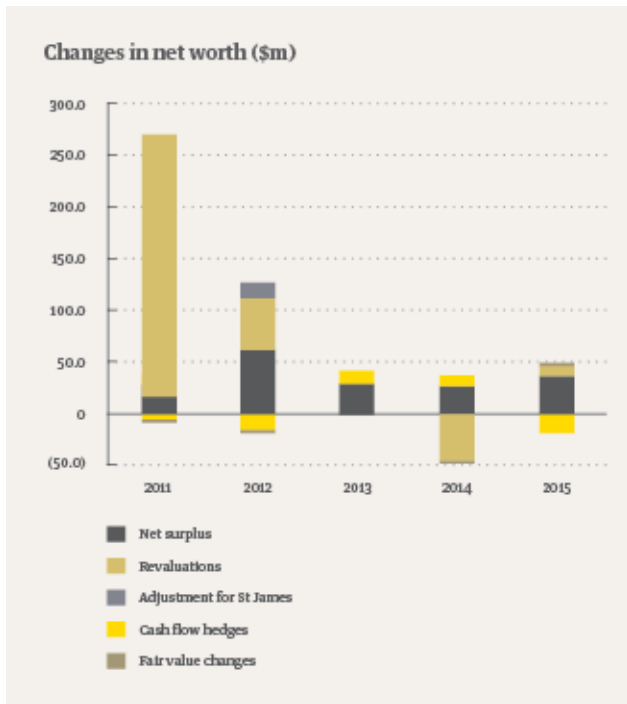
Net worth is the difference between our total assets and total liabilities. Net worth is represented in the financial statements by the balance of equity.

Our net worth at the end of the year was \$6,370.3 million, an increase of \$29.7 million or 0.5% from the previous year. The main reasons for the increase in net worth are the surplus for the year and the fair value movement in our cash flow hedges²⁰ and revaluation of Operational Land and Buildings.²¹

19 Estimated city population to be 200,000 based on Estimated Resident Population, NZ Statistics.

20 Annual Report, Notes to the financial statements, Note 26 Hedging reserve, page 180.

21 Annual Report, Notes to the financial statements, Note 25 Revaluation Reserves, page 179.



The graph above shows that significant changes occur as a result of movements in revaluations and hedges. Revaluations represent the change in the value of assets held, to restate the replacement value in current dollar terms based on their condition and remaining life. Changes in hedge values represent market value changes in the value of the interest rate hedges that are held to maturity. For further explanation refer to Note 26 Hedging reserve page 180. Changes in revaluations, Cash Flow hedges and Fair Value are all non-cash movements and are subject to changes in market driven values beyond our control.

Assets and capital expenditure

Our major assets include:

- property, plant and equipment (including land, buildings, pipes, roads and other infrastructure assets) - \$6,595.9 million
- other assets (including investment properties and investments in subsidiaries and associates) - \$378.8 million.

The chart below shows how much was spent on each strategic area during the year for replacing, constructing and purchasing assets:

To help spread the cost of assets to everyone who benefits, we budget to recover a certain amount of the value of the asset each year. This amount is called depreciation.²² Depreciation spreads the cost of an asset over its useful life.

Liabilities

We have prudently managed our borrowings to ensure we meet the specified requirements in our Long Term Financial Strategy. Net borrowings at 30 June 2015 are 84% of revenue, within the target of 105% set by Council and significantly less than the 150% limit contained within its Financial Strategy. This is illustrated in the section on Financial Prudence page 213 on Local Government Benchmarks.

Our major liabilities include:

- gross borrowings - \$433.7 million²³
- other liabilities (including trade and other payables) - \$170.7 million.

We use borrowings to fund the purchase or construction of new assets or upgrading existing assets that are approved through the Annual Plan and Long-term Plan process.

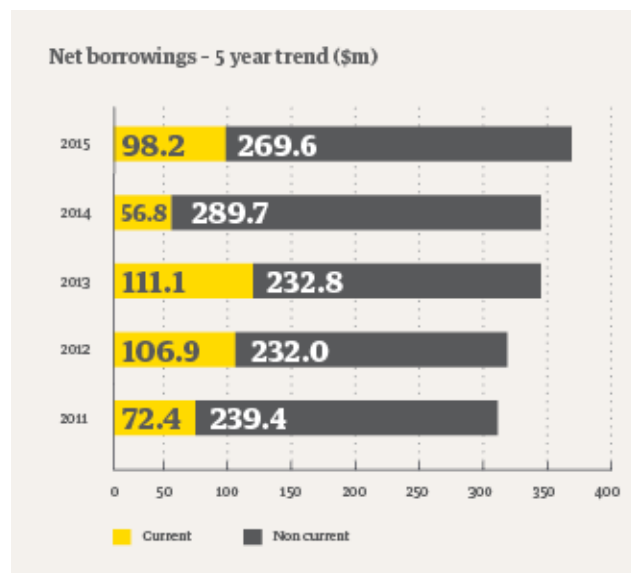
²² Annual Report, Statement of Comprehensive Revenue and Expenses, page 123.

²³ Annual Report, Notes to the financial statements, Note 22 Borrowings, page 171.

Net borrowings

Net borrowings are the total borrowings less any cash and cash equivalents and current deposits.²⁴

The gross borrowings of \$433.7 million²⁵, less the balance of cash and cash equivalents and current deposits of \$65.9 million, results in a net borrowings balance of \$367.8million at 30 June 2015.

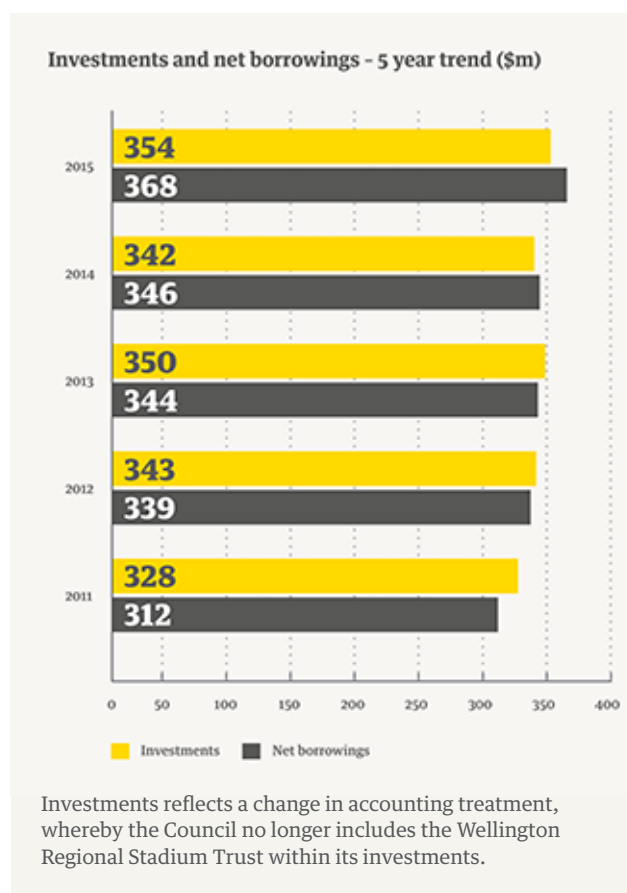


Net borrowings increased by \$21.3 million during the year. Net borrowings at the end of the year are \$34.0 million less than budgeted in the 2014/15 Annual Plan. The difference is due to changes in the timing of some capital projects and savings made in the delivery of others.

The total net borrowing of \$367.8 million is less than 80% of our annual revenue and make up 10% of our total asset value (excluding land under roads). This is equivalent to a household with an average property value of \$530,000, earning \$70,000 a year, having a mortgage of less than \$54,000.

Investment position

We continue 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 5 years.



The value of investments primarily relates to 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 we maintained our AA rating with the independent credit rating agency Standard and Poor's. The credit rating is a comparative measure of our financial strength. The AA credit rating held by us is the highest credit rating attributed to any council across New Zealand. Holding and maintaining such a high credit rating provides us with a range of benefits that would not otherwise be available. These benefits include access to lower cost borrowings and access to a wider range of borrowing alternatives.

²⁴ Annual Report, Notes to the financial statements, Note 11 Cash and Cash Equivalents, page 151.

²⁵ Annual Report, Notes to the financial statements, Note 22 Borrowings, page 171.

Local Government (Financial and Prudence) Regulations 2014

This set of financial benchmarks is required by legislation. The results for 2014/15 are summarised below. There are 13 benchmarks that are split into the following seven categories:

REF	CATEGORY	MEASURE	2014/15 MET
1.	Rates affordability benchmarks	Rates (revenue) affordability - were the actual rates increases below the 2012 LTP quantified dollar limit.	Yes \$253.4m
		Rates (increases) affordability - were the actual rates increases below the 2012 LTP percentage increases limit.	Yes 2.94%
2.	Debt affordability benchmarks	Net Borrowing as a percentage of equity <10%	Yes 6%
		Net Borrowing as a percentage of revenue <150%	Yes 84%
		Net Interest as a percentage of revenue is <15%	Yes 4%
		Net Interest as a percentage of annual rates revenue <20%	Yes 8%
		Liquidity (term borrowing committed loan facilities to 12-month peak net borrowing forecast) >110%	Yes 117%
		Triennial additional loan-funded capital expenditure (cumulative) limit < \$60m	Yes \$57.3m
3.	Balanced Budget benchmark	Operating revenue is greater than operating expenditure as a proportion >100%	Yes 104%
4.	Essential services benchmark	Capital expenditure on network is greater than depreciation on network services as a proportion >100%	Yes 127%
5.	Debt servicing benchmark	Borrowing costs as a proportion of operating revenue <10%	Yes 5%
6.	Debt control benchmark ¹	Net debt as a proportion of planned debt <100%	Yes 100%
7.	Operations control benchmark ²	Net cash flow from operations as a proportion of its planned net cash flow from operations >100%	No 97%

1. This benchmark is required to use the 2012/2022 Long-term Plan Net Debt figures as the benchmark comparator. These will differ from the figures agreed through subsequent Annual Plans.
2. This benchmark is required to use the 2012/2022 Long-term Plan Net Cash Flow from Operations figures as the benchmark comparator. These will differ from the figures agreed through subsequent Annual Plans.

AREAS OF REPORTED NON-COMPLIANCE

Operations control benchmark

The Council is satisfied that it is prudently managing operational cash flow, with variances explained by the timing difference in the receipt of revenues compared to budget that lead to the “not met” outcome for this measure.

Wellington City Council and Group Consolidated Financial Statements For the year ended 30 June 2015

Section contents

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Statement of Changes in Equity	Page 125
Statement of Financial Position	Page 126
Statement of Cash Flows	Page 127
Notes forming part of the Financial Statements	Page 129

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, have been complied with.

Responsibility

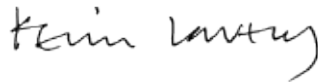
The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the annual financial statements for the year ended 30 June 2015 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.



Celia Wade-Brown
Mayor

26 August 2015



Kevin Lavery
Chief Executive

26 August 2015



Andy Matthews
Chief Financial Officer

26 August 2015

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2015

	NOTE	COUNCIL			GROUP ¹	
		ACTUAL 2015 \$000	BUDGET 2015 \$000	ACTUAL 2014 \$000	ACTUAL 2015 \$000	ACTUAL 2014 \$000
REVENUE						
Rates revenue						
Rates (excluding water rates by meter)	1	240,892	241,387	234,007	240,892	234,007
Water rates by meter	1	12,682	13,879	12,329	12,682	12,329
Revenue from operating activities						
Development contributions	2	2,078	2,000	5,873	2,078	5,873
Grants, subsidies and reimbursements	2	40,826	51,090	43,315	53,213	49,597
Other operating activities	2	121,482	119,913	115,213	132,639	125,440
Investments revenue	3	24,176	20,215	23,253	11,257	11,287
Fair value movement on investment property revaluation	18	8,552	-	-	8,552	-
Other revenue	4	15,662	1,100	15,093	15,662	15,103
Finance revenue	5	3,540	603	2,752	3,914	3,085
Total revenue		469,890	450,187	451,835	480,889	456,721
EXPENSE						
Finance expense	5	(23,238)	(23,041)	(22,754)	(23,239)	(22,756)
Expenditure on operating activities	7	(310,335)	(298,596)	(297,951)	(330,454)	(314,745)
Depreciation and amortisation expense	8	(99,009)	(102,165)	(95,860)	(100,024)	(96,611)
Fair value movement on concessionary loans	14	(1,766)	-	-	(1,794)	-
Fair value movement on investment property revaluation	18	-	-	(7,661)	-	(7,661)
Total expense		(434,348)	(423,802)	(424,226)	(455,511)	(441,773)
Share of equity accounted surplus/(deficit) from associates and jointly controlled entities	36	-	-	-	11,612	15,195
Net surplus before taxation		35,542	26,385	27,609	36,990	30,143
Income tax credit/(expense)		-	-	-	(609)	64
NET SURPLUS for the year		35,542	26,385	27,609	36,381	30,207
Net surplus attributable to:						
Wellington City Council and Group		35,542	26,385	27,609	36,281	30,207
Non-controlling interest		-	-	-	100	-
		35,542	26,385	27,609	36,381	30,207

1. The Group includes the Council, the controlled entities disclosed in Note 35, and the Council's interest in the associates and jointly controlled entities disclosed in Note 36. A structural diagram of the Group is shown in Note 33.

The notes on pages 130 to 212 form part of and should be read in conjunction with these financial statements.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE - CONTINUED

For the year ended 30 June 2015

	NOTE	COUNCIL		GROUP ¹		
		ACTUAL 2015 \$000	BUDGET 2015 \$000	ACTUAL 2014 \$000	ACTUAL 2015 \$000	ACTUAL 2014 \$000
Other comprehensive revenue and expense²						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Cash flow hedges:						
Fair value movement - net	26	(17,059)	-	9,552	(17,059)	9,552
Fair value through other comprehensive revenue and expense						
Fair value movement - net	27	43	-	(30)	442	(30)
Share of other comprehensive revenue and expense of associates and jointly controlled entities:						
Reclassification to share of equity accounted surplus		-	-	-	-	1
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Non-controlling interest:						
Initial recognition		-	-	-	316	-
Revaluations:						
Fair value movement - property, plant and equipment - net	25	11,168	57,073	(45,290)	11,168	(47,163)
Share of other comprehensive revenue and expense of associates and jointly controlled entities:						
Fair value movement - property, plant and equipment - net	25	-	-	-	3,862	-
Effect of changed shareholding in associates	25	-	-	-	27	38
Total other comprehensive revenue and expense		(5,848)	57,073	(35,768)	(1,244)	(37,602)
TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year		29,694	83,458	(8,159)	35,137	(7,395)
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		29,694	83,458	(8,159)	35,037	(7,395)
Non-controlling interest		-	-	-	100	-
		29,694	83,458	(8,159)	35,137	(7,395)

1. The Group includes the Council, the controlled entities disclosed in Note 35, and the Council's interest in the associates and jointly controlled entities disclosed in Note 36. A structural diagram of the Group is shown in Note 33.
2. Other comprehensive revenue or expense is non-cash in nature and only reflects changes in equity.

The notes on pages 130 to 212 form part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	NOTE	COUNCIL			GROUP	
		ACTUAL 2015 \$000	BUDGET 2015 \$000	ACTUAL 2014 \$000	ACTUAL 2015 \$000	ACTUAL 2014 \$000
EQUITY - Opening balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,685,128	3,696,747	3,654,242	3,672,911	3,639,494
Revaluation reserves		1,372,033	1,685,991	1,417,323	1,482,005	1,529,130
Hedging reserve		(403)	(9,955)	(9,955)	(403)	(9,956)
Fair value through other comprehensive revenue and expense reserve		63	93	93	63	93
Restricted funds		14,683	10,715	17,960	17,437	20,647
TOTAL EQUITY - Opening balance		6,340,638	6,652,725	6,348,797	6,465,175	6,472,570
CHANGES IN EQUITY						
Retained earnings						
Net surplus for the year		35,542	26,385	27,609	36,381	30,207
Transfer to restricted funds		(2,273)	(3,766)	(4,779)	(4,146)	(5,097)
Transfer from restricted funds		3,832	3,765	8,056	4,660	8,307
Revaluation reserves	25					
Fair value movement - property, plant and equipment - net		11,168	57,073	(45,290)	15,030	(47,163)
Effect of changed shareholding in associates		-	-	-	27	38
Hedging reserve	26					
Movement in hedging reserve		(17,059)	-	9,552	(17,059)	9,553
Fair value through other comprehensive revenue and expense reserve	27					
Movement in fair value - Equity investments		43	-	(30)	43	(30)
Movement in fair value - Available for sale equities		-	-	-	399	-
Non-controlling interest						
Recognition of non-controlling interest		-	-	-	316	-
Restricted funds	28					
Transfer to retained earnings		(3,832)	(3,765)	(8,056)	(4,660)	(8,307)
Transfer from retained earnings		2,273	3,766	4,779	4,146	5,097
Total comprehensive revenue and expense		29,694	83,458	(8,159)	35,137	(7,395)
EQUITY - Closing balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,722,229	3,723,131	3,685,128	3,709,806	3,672,911
Revaluation reserves		1,383,201	1,743,064	1,372,033	1,497,062	1,482,005
Hedging reserve		(17,462)	(9,955)	(403)	(17,462)	(403)
Fair value through other comprehensive revenue and expense reserve		106	93	63	505	63
Non-controlling interest		-	-	-	316	-
Restricted funds		13,124	10,716	14,683	16,923	17,437
TOTAL EQUITY - Closing balance		6,370,332	6,736,183	6,340,638	6,500,312	6,465,175
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		29,694	83,458	(8,159)	35,037	(7,395)
Non-controlling interest		-	-	-	100	-
		29,694	83,458	(8,159)	35,137	(7,395)

The notes on pages 130 to 212 form part of and should be read in conjunction with these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2015

	NOTE	COUNCIL			GROUP	
		ACTUAL 2015 \$000	BUDGET 2015 \$000	ACTUAL 2014 \$000	ACTUAL 2015 \$000	ACTUAL 2014 \$000
ASSETS						
Current assets						
Cash and cash equivalents	11	65,913	2,389	52,573	75,598	56,853
Derivative financial assets	12	-	409	-	-	-
Receivables from exchange transactions	13	5,569	5,980	5,663	6,450	6,675
Recoverables from non-exchange transactions	13	34,445	33,576	31,795	36,006	33,060
Other financial assets	14	150	-	20,000	150	20,400
Prepayments		12,453	15,048	11,643	12,987	11,723
Inventories	15	899	875	969	1,849	1,755
Non-current assets classified as held for sale	16	1,668	-	1,367	1,668	1,367
Total current assets		121,097	58,277	124,010	134,708	131,833
Non-current assets						
Derivative financial assets	12	725	3,280	4,428	725	4,428
Other financial assets	14	9,403	8,928	9,849	10,851	9,849
Intangibles	17	21,465	16,743	17,293	21,568	17,363
Investment properties	18	201,557	205,951	192,901	201,557	192,901
Property, plant and equipment	19	6,595,900	6,974,749	6,536,012	6,608,226	6,547,197
Investment in controlled entities	35	5,071	3,809	3,809	-	-
Investment in associates and jointly controlled entities	36	19,465	19,519	19,504	137,666	135,154
Total non-current assets		6,853,586	7,232,979	6,783,796	6,980,593	6,906,892
TOTAL ASSETS		6,974,683	7,291,256	6,907,806	7,115,301	7,038,725
LIABILITIES						
Current liabilities						
Derivative financial liabilities	12	250	404	180	250	180
Payables under exchange transactions	20	45,429	45,654	45,468	49,922	47,787
Taxes and transfers payable	20	12,635	12,291	12,241	12,817	12,606
Revenue in advance	21	29,293	11,405	12,105	32,791	13,224
Borrowings	22	164,104	155,562	129,371	164,107	129,375
Employee benefit liabilities and provisions	23	6,306	5,698	5,228	7,467	6,440
Provision for other liabilities	24	15,207	17,466	30,781	15,207	30,781
Total current liabilities		273,224	248,480	235,374	282,561	240,393
Non-current liabilities						
Deferred tax		-	-	-	1,240	1,279
Derivative financial liabilities	12	17,937	12,831	4,788	17,937	4,788
Payables under exchange transactions	20	630	-	630	630	630
Borrowings	22	269,624	248,601	289,747	269,624	289,750
Employee benefit liabilities and provisions	23	1,096	1,474	1,207	1,157	1,288
Provision for other liabilities	24	41,840	43,687	35,422	41,840	35,422
Total non-current liabilities		331,127	306,593	331,794	332,428	333,157
TOTAL LIABILITIES		604,351	555,073	567,168	614,989	573,550
EQUITY						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,722,229	3,723,131	3,685,128	3,709,806	3,672,911
Revaluation reserves	25	1,383,201	1,743,064	1,372,033	1,497,062	1,482,005
Hedging reserve	26	(17,462)	(9,955)	(403)	(17,462)	(403)
Fair value through other comprehensive revenue and expense reserve	27	106	93	63	505	63
Non-controlling interest		-	-	-	316	-
Restricted funds	28	13,124	10,716	14,683	16,923	17,437
TOTAL EQUITY		6,370,332	6,736,183	6,340,638	6,500,312	6,465,175
TOTAL EQUITY AND LIABILITIES		6,974,683	7,291,256	6,907,806	7,115,301	7,038,725

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	NOTE	COUNCIL			GROUP	
		ACTUAL 2015 \$000	BUDGET 2015 \$000	ACTUAL 2014 \$000	ACTUAL 2015 \$000	ACTUAL 2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from rates - Council (excluding metered water)		239,802	241,387	234,890	239,802	234,890
Receipts from water rates by meter		12,682	13,879	12,086	12,682	12,086
Receipts from rates - Greater Wellington Reginal Council		50,763	50,341	48,575	50,763	48,575
Receipts from activities and other Revenue		127,366	123,013	137,052	148,920	151,890
Receipts from grants and subsidies - Operating		7,666	7,715	5,189	28,593	16,446
Receipts from grants and subsidies - Capital		48,244	43,375	37,129	37,906	39,253
Receipts from investment property lease rentals		10,211	9,215	11,174	10,211	11,174
Cash paid to suppliers and employees		(286,807)	(286,780)	(276,384)	(327,119)	(310,507)
Rates paid to GWRC		(50,876)	(50,341)	(48,828)	(50,876)	(48,828)
Grants paid		(28,524)	(28,719)	(32,341)	(13,713)	(25,743)
Income tax paid		-	-	-	(6)	(15)
Net GST (paid)/received		(1,180)	-	(609)	(972)	(1,487)
NET CASH FLOWS FROM OPERATING ACTIVITIES		129,347	123,085	127,933	136,191	127,734
CASH FLOWS FROM INVESTING ACTIVITIES						
Dividends received		13,082	11,000	12,079	13,082	12,079
Interest received		2,838	44	2,240	3,068	2,491
Decrease in bank investments		20,000	-	-	20,000	-
Proceeds from sale of property, plant and equipment		2,290	4,050	4,088	2,447	4,088
Proceeds from sale of investments		-	-	-	31	-
Loan advance made		-	-	(300)	(75)	(300)
Increase in bank investments		-	-	(20,000)	-	(20,000)
Increase in investments		(824)	-	(683)	(822)	(683)
Cash from aquisition of controlled entity		-	-	-	668	-
Purchase of investment properties		(10)	-	(781)	(10)	(781)
Purchase of intangibles		(7,741)	(8,777)	(1,788)	(7,747)	(1,859)
Purchase of property, plant and equipment		(137,353)	(155,724)	(125,147)	(139,799)	(126,976)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(107,718)	(149,407)	(130,292)	(109,157)	(131,941)
CASH FLOWS FROM FINANCING ACTIVITIES						
New borrowings		70,000	203,964	86,197	70,000	86,197
Repayment of borrowings		(55,390)	(155,562)	(55,000)	(55,390)	(55,000)
Interest paid on borrowings		(22,899)	(22,080)	(20,654)	(22,899)	(20,654)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(8,289)	26,322	10,543	(8,289)	10,543
Net increase/(decrease) in cash and cash equivalents		13,340	-	8,184	18,745	6,335
Cash and cash equivalents at beginning of year		52,573	2,389	44,389	56,853	50,518
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	65,913	2,389	52,573	75,598	56,853

Wellington City Council acts as a collection agency for Greater Wellington Regional Council (GWRC) by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC. The budget assumes that the inflows and outflows will offset each other and are shown as nil accordingly.

The notes on pages 130 to 212 form part of and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS - CONTINUED

The Council has ring-fenced funds of \$40.356 million (2014: \$24.320 million) relating to the housing upgrade project and waste activities. See Note 22: Borrowings for more information.

The net surplus from the Statement of Comprehensive Revenue and Expense is reconciled to the net cash flows from operating activities in the Statement of Cash Flows as follows:

RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		COUNCIL		GROUP		
		NOTE	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Net surplus for the period			35,542	27,609	36,381	30,207
Add/(deduct) non-cash items:						
Vested assets	4	(12,368)	(8,612)	(12,368)	(8,612)	
Bad debts written off not previously provided for		307	101	334	101	
Depreciation and amortisation	8	99,009	95,860	100,024	96,611	
Impairment of property, plant and equipment		5,072	458	5,072	1,246	
Fair value changes in investment properties	18	(8,552)	7,661	(8,552)	7,661	
Other fair value changes		(197)	(375)	(191)	(375)	
Movement in provision for impairments of doubtful debts		(512)	(322)	(512)	(613)	
Tax expense		-	-	-	392	
Non-cash movement in provisions		1,045	(65)	1,651	(343)	
Total non-cash items			83,804	94,706	85,458	96,068
Add/(deduct) movement in working capital:¹						
Exchange receivables and non-exchange recoverables		(2,083)	12,461	(650)	12,383	
Prepayments		(800)	3,405	(1,200)	3,421	
Inventories		70	(94)	(92)	85	
Exchange transactions, taxes and transfers payables		(2,163)	(1,166)	(961)	(773)	
Revenue in advance		17,186	700	18,854	(397)	
Employee benefit liabilities		967	(737)	776	(689)	
Provision for other liabilities		(10,210)	(18,000)	(10,401)	(17,945)	
Total working capital movement			2,967	(3,431)	6,326	(3,915)
Add/(deduct) investing and financing activities:						
Net (gain)/loss on disposal of property, plant and equipment		55	1,861	36	1,782	
Dividends received		(13,082)	(12,079)	(163)	(113)	
Interest received		(2,838)	(2,240)	(3,128)	(2,383)	
Tax paid and Subvention payments		-	-	(6)	(224)	
Interest paid on borrowings		22,899	21,507	22,899	21,507	
Share of equity accounted surplus in associates		-	-	(11,612)	(15,195)	
Total investing and financing activities			7,034	9,049	8,026	5,374
NET CASH FLOW FROM OPERATING ACTIVITIES			129,347	127,933	136,191	127,734

1. Excluding non-cash items

The notes on pages 130 to 212 form part of and should be read in conjunction with these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council and Group is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Auditor General, and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

The financial statements include the Council and Group. A structural diagram is included in Note 33. The Council includes the results and operations of Wellington City Council as a separate legal entity, the Council's interests in the joint ventures as disclosed in Note 34 and the Wellington Venues project. The Group includes the Council, its controlled entities (subsidiaries) disclosed in Note 35, and the Council's equity accounted interest in the associates and jointly controlled entities disclosed in Note 36.

All entities included within the Group are domiciled in Wellington, New Zealand.

The financial statements of the Council and Group are for the year ended 30 June 2015 and were authorised for issue by the Council on 26 August 2015.

BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Standards (PBE standards) for a Tier 1 entity. A Tier 1 entity is defined as being either, publicly accountable or large (i.e. expenses over \$30 million). The Council exceeds the expenses threshold. The Council and Group are adopting the PBE standards for the first time for the year ending 30 June 2015.

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For

investment property, non-current assets classified as held for sale and items of property, plant and equipment that are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

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

Change of accounting policies

There have been no elected changes in accounting policies during the financial period. The first time adoption of the new suite of PBE standards after having previously applied NZ IFRS PBE does not constitute a change in accounting policies.

Effects of first-time adoption of PBE standards

The changes to the accounting policies and disclosures (including comparatives) resulting from the first-time adoption of PBE standards are as follows:

PBE IPSAS 1: Presentation of financial statements

The name of the Statement of Comprehensive Financial Performance has been changed to the Statement of Comprehensive Revenue and Expense to align with the proposed naming convention in the standard.

The main change on the face of the financial statements is within the Statement of Financial Position where;

1. Trade receivables are now disaggregated into:
 - a) Receivables from exchange transactions and,
 - b) Recoverables from non-exchange transactions.
2. Trade payables are now disaggregated into:
 - c) Payables from exchange transactions and,
 - d) Taxes and transfers payable

Within the notes forming part of the financial statements, further presentational changes have occurred as follows:

- A new note (Note 6) classifying the main revenue components as either exchange or non-exchange revenue.
- Changes to the receivables note (Note 13) and payables notes (Note 20) to reflect the disaggregation above

- Changes to Revenue in advance (Note 21) reflecting the nature of the advance receipts and liabilities for transfers with conditional agreements
- Other minor terminology changes

PBE IPSAS 23: Revenue from non-exchange transactions

This is a new standard with no previous equivalent under NZ IFRS. It introduces new classifications of Taxes and Transfers and covers most revenue that is not exchange revenue. Using the application of Council's activities funding policy as the determinate of approximately equal value, a key factor in the exchange/non-exchange distinction, most Council revenue, being either, rates or revenue from rates-subsidised fees and user charges, is non-exchange.

PBE IPSAS 31: Intangibles

The Council is allocated carbon credits from the Government in recognition of the positive environmental effects of its trees particularly in the Town Belt. Council's policy has been to recognise these credits at cost being nil. Under PBE IPSAS 31, such allocations, being non-exchange transactions, are fair valued at the date of allocation and then held at deemed cost. Adjustment for previously allocated carbon credits recorded at nil cost has been made through opening equity.

PBE IPSAS 32: Service concession arrangements (Grantor)

This standard prescribes the accounting requirements, from the grantor's perspective, for public sector assets involved in arrangements where they are used by a private sector entity to provide a public service on behalf of a public sector entity. Often this arrangement would involve the asset being built and operated by the private sector entity, which is compensated by being able to directly charge users to recoup its costs. At the end of the arrangement the ownership of the asset would then be transferred to the public entity. For the Council, its wastewater treatments plants, while operated and maintained by a private sector entity, are owned and have been part of Council's infrastructure assets from inception. Apart from separating these assets into a new standalone category within the Property, Plant and Equipment note disclosure, no other change to the accounting treatment has been required.

An explanation of the monetary effect of these changes in the financial statements and accompanying notes is provided in Note 40: Adjustments to comparative year financial statements.

Standards, amendments and interpretations issued but not yet effective and not early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted and that are relevant to the Group include a revised suite of Public Sector Public Benefit Entity accounting standards that includes enhanced guidance for Not-for-Profit Public

Benefit Entities. This revised suite of accounting standards will be adopted from 1 July 2015. The adoption of these revised standards is not expected to impact on the Group.

JUDGEMENTS AND ESTIMATIONS

The preparation of financial statements using PBE requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

BASIS OF CONSOLIDATION

The Group includes joint ventures, controlled entities and associates. A Group structure diagram is included in Note 33.

Joint ventures

Joint ventures are binding contractual arrangements with other parties to jointly control an undertaken activity. The accounting treatment can vary according to the structure of the venture concerned.

For a jointly controlled asset the Council has a liability in respect of its share of joint ventures' deficits and liabilities, and shares in any surpluses and assets. The Council's proportionate interest in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

For a jointly controlled entity the Council chooses to use the equity accounting treatment option available as it better reflects its investment in the joint venture. The investment is initially recognised at cost, and adjusted thereafter for the post-acquisition changes in the Council's share of net assets/equity of the entity. The Council's share of the surplus or deficit of the entity is included in the Group's surplus or deficit on a single line.

Controlled entities

Controlled entities are entities that are controlled by the Council. In the Council financial statements, the investment in controlled entities is carried at cost. In the

Group financial statements, controlled entities are accounted for using the purchase method where assets, liabilities, revenue and expenditure is added in on a line-by-line basis. Where a non-controlling interest is held by another party in a Council controlled entity, the controlled entity is consolidated as if it was fully controlled and the share of any surplus or deficit attributable to the non-controlling interest disclosed within the Statement of Comprehensive Revenue and Expense.

All significant transactions between Group entities, other than rates, are eliminated on consolidation. Rates are charged on an arm's-length basis and are not eliminated to ensure that reported costs and revenues are consistent with the Council's Annual Plan.

Associates

Associates are entities where the Council has significant influence, over their operating and financial policies but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

REVENUE

Revenue comprises rates, revenue from operating activities, investment revenue, gains, finance and other revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's-length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transactions arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's-length commercial transaction between a willing buyer and willing seller. Some goods or services that Council provides (e.g. the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by Council operate on a full user pays (e.g. Parking), cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

Most of the services that Council provides for a fee are subsidised by rates (e.g. The cost to swim in a Council pool) and therefore do not constitute an approximately equal exchange. Accordingly most of Council's revenue is categorised as non-exchange.

Rates

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

Operating activities

The Council undertakes various activities as part of its normal operations which generate revenue, but generally at below market prices or at fees and user charges subsidised by rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

Grants, subsidies and reimbursements

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the payment will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (e.g. NZ Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the

service for which the contribution was charged. Until such time as the Council provides, or is able to provide, the service, development contributions are recognised as liabilities.

Fines and penalties

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, overdue rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. In particular the fair value of parking-related fines is determined based on the probability of collecting fines considering previous collection history.

Rendering of services

Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some rendering of services are provided at a market rate or on a full cost recovery basis (e.g. parking fees) and these are classified as exchange.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Investment revenues

Dividends

Dividends from equity investments are classified as exchange revenue and are recognised when the Council's right to receive payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

Other revenue

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Finance revenue

Interest

Interest revenue is exchange revenue and recognised using the effective interest rate method.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (e.g. beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

EXPENSES

Specific accounting policies for major categories of expenditure are outlined below.

Operating activities

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (e.g. cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Finance expense

Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

TAXATION

Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council controlled trading organisations and comprises current and deferred tax. Other members of the Group are subject to normal taxation unless they have tax exempt status as charitable trusts.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted or substantively enacted at the end of the reporting period,

plus any adjustment to tax payable in respect of previous periods.

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

GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables, recoverables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

FINANCIAL INSTRUMENTS

Financial instruments include financial assets (loans and receivables or recoverables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below, based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Financial assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, trade and other receivables or recoverables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of 3 months or less.

Trade and other receivables and recoverables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor,

and has no intention of trading the receivable or recoverable.

Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than 3 months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables or recoverables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, rates penalties and water meter charges, no provision has been made for impairment in respect of these receivables or recoverables.

Financial assets at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Within the Group, small shareholdings are held in start-up companies, which are available for sale, until the companies mature or cease operations. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal, any gains or losses are recognised within surplus or deficit.

Derivatives

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are

classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit. Where a derivative is used to hedge variability in the fair value of the Council's fixed rate borrowings (fair value hedge), the gain or loss is recognised within surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

INVENTORIES

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Inventories held for resale (such as rubbish bags), are recorded at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business.

Inventories held for distribution at no or nominal cost are recorded at the lower of cost and current replacement cost.

INVESTMENT PROPERTIES

Investment properties are properties that are held primarily to earn rental revenue and/or for capital growth. These properties include the Council's ground leases, land and buildings and the Wellington Waterfront Project's investment properties.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties that generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment.

Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to occur within 1 year or beyond 1 year where a delay has occurred, which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn;
- A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Centre complex, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions (for example, land declared as a reserve under the Reserves Act 1977). The use of the asset may also be restricted such as the donated Basin Reserve land which must be retained for the purposes of providing a cricket and recreation ground with no permitted thoroughfare.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession arrangement assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (e.g. infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council and Group recognises these assets within these financial statements to the extent their value can be reliably measured.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (e.g. vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

Library Collections

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets, published by the Treasury Accounting Team, November 2002.

Operational Land & Buildings

Operational land and buildings are valued at fair value on a three-year cycle by independent registered valuers. Where the information is available land and buildings are valued based on market evidence. The majority of Councils land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.

For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost.

Buildings that comprise the Housing portfolio have been valued on market based approach with the associated land value being established through analysis of sales and market evidence.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (the roading network, water, waste and drainage reticulation networks and service concession arrangement assets) are valued at optimised depreciated replacement cost on a three-year cycle by independent registered valuers. Infrastructure valuations are based on the physical attributes of the assets, their condition and their remaining useful lives based on the Council's best information reflected in its asset management plans. The costs are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Other Assets

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Revaluations

The result of any revaluation of the Group's property, plant and equipment is recognised within other

comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Further information in respect of the most recent valuations for each class is provided in Note 25: Revaluation reserves.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. The estimated useful lives and depreciation rate ranges of the major classes of property, plant and equipment are as follows:

ASSET CATEGORY	2015	
	USEFUL LIFE (YEARS)	DEPRECIATION RATE
Land	unlimited	not depreciated
Buildings	1 - 75	1.33 - 100%
Civic Centre Complex	10 - 78	1.28 - 10%
Plant and equipment	3 - 100	1 - 33.3%
Library collection	3 - 11	9.1 - 33.3%
Restricted assets (excluding buildings)	unlimited	not depreciated
Infrastructure assets:		
Land (including land under roads)	unlimited	not depreciated
Roading	3 - 175	0.57 - 33.3%
Drainage, waste and water	3 - 175	0.57 - 33.3%
Service concession arrangements	3 - 100	1 - 33.3%

The landfill post-closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Impairment

The Council's assets are defined as cash-generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash-generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash-generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash- generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

INTANGIBLE ASSETS

Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives and depreciation rate range of these assets are as follows:

ASSET CATEGORY	2015	
	USEFUL LIFE (YEARS)	DEPRECIATION RATE
Computer software	1 - 7	14.29 - 100%

Carbon credits

Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

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

RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

LEASES

Operating leases as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or

deficit over the term of the lease as they form an integral part of the total lease payment.

Operating leases as lessor

The Group leases investment properties and a portion of land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

Finance leases

Finance leases transfer to the Group (as lessee) substantially all the risks and rewards of ownership of the leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments.

The finance charge is released to surplus or deficit over the lease period and the capitalised values are amortised over the shorter of the lease term and the useful life of the leased item.

EMPLOYMENT BENEFIT LIABILITIES

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes: annual leave, long service leave (qualified for), statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Retirement gratuities

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Other contractual entitlements

Other contractual entitlements include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

PROVISIONS

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate

of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Landfill post-closure costs

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council has a 21.5% joint venture interest in the Spicer Valley landfill. The Council's provision for landfill post-closure costs includes the Council's proportionate share of the Spicer Valley landfill provision for post-closure costs.

ACC partnership programme

The Council is an Accredited Employer under the ACC Partnership Programme. As such the Council accepts the management and financial responsibility of our employee work-related injuries. From 1 April 2009 the Council changed its agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, the Council is responsible for managing work related injury claims for a two-year period only and transfer ongoing claims to ACC at the end of the two-year claim management period with no further liability. Under the ACC Partnership Programme the Council is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to work-related injuries occurring up to the end of the reporting period for which the Council has responsibility under the terms of the Partnership Programme.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Group measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Group's best estimate of the obligation or the amount initially recognised less any amortisation.

EQUITY

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities and contingent assets are disclosed in the notes forming part of the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

STATEMENT OF CASH FLOWS

Cash and cash equivalents for the purposes of the cash flow statement comprise bank balances, cash on hand and short-term deposits with a maturity of three months or less. The statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and Group and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

RELATED PARTIES

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include members of the Group and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

Remuneration of elected members comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops.

BUDGET FIGURES

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The Annual Plan figures do not include budget information relating to controlled entities or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the Annual Plan process. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. The Annual Plan figures have been prepared in accordance with GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

COST ALLOCATION

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Provision). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

COMPARATIVES

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required
- where there has been a change of accounting policy (There has been no change in the 2014/15 year)
- as a requirement of adopting the new suite of PBE accounting standards.

NOTE 1: RATES REVENUE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
General rates				
Base sector	73,417	71,280	73,417	71,280
Commercial, industrial and business sector	60,835	59,325	60,835	59,325
Targeted rates				
All (excluding water rates by meter)	106,640	103,402	106,640	103,402
Total rates revenue (excluding water rates by meter)	240,892	234,007	240,892	234,007
Water rates by meter revenue	12,682	12,329	12,682	12,329
TOTAL RATES REVENUE FOR WELLINGTON CITY COUNCIL	253,574	246,336	253,574	246,336

The total amount of rates charged on Council-owned properties that have not been eliminated from revenue and expenditure is \$11.623m (2014: \$11.333m). For the Group, rates of \$11.657m (2014: \$11.378m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held as at 30 June 2014.

The number of rating units: 76,680 (2013: 76,021).

	2015 \$000	2014 \$000
Total capital value of rating units	51,238,236	50,540,014
Total land value of rating units	22,259,307	22,127,973

Rates remission

Revenue from rates and levies is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown Levy targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown Levy targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2015 totalled \$0.378m (2014: \$0.215m).

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, churches, public gardens and certain land vested in the Crown. This land is non-rateable in respect of general rates but, where applicable, is rateable in respect of sewerage and water. Non-rateable land does not constitute a remission under the Council's Rates Remission and Postponement Policies.

NOTE 2: REVENUE FROM OPERATING ACTIVITIES

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Grants, subsidies and reimbursements				
Operating	7,735	7,284	15,872	12,317
Capital	33,091	36,031	37,341	37,280
Total grants, subsidies and reimbursements	40,826	43,315	53,213	49,597
Development contributions	2,078	5,873	2,078	5,873
Other operating activities				
Fines and penalties	7,857	8,411	7,857	8,411
Rendering of services	107,709	100,539	117,700	109,744
Sale of goods	5,916	6,263	7,082	7,285
Total other operating activities	121,482	115,213	132,639	125,440
TOTAL REVENUE FROM OPERATING ACTIVITIES	164,386	164,401	187,930	180,910

For the Council, the principal grants and reimbursements are from:

- The New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading infrastructure. The capital reimbursements from NZTA of \$18.089m (2014: \$10.491m) and operating reimbursements of \$5.591m (2014: \$4.555m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.
- The Crown, for the upgrade of the Council's social housing stock. The capital grant recognised in the current year of \$13.388m (2014: \$24.514m) is part of a 10-year work programme that commenced in 2008 and the revenue is recognised in accordance with that agreed work programme. There are no unfulfilled conditions or other contingencies relating to this utilised grant revenue apart from the overarching requirement for the Council to maintain its investment in, and provision of social housing until 2037.

For the Group, the additional principal subsidy was \$6.949m (2014: \$5.261m) from Greater Wellington Regional Council to Wellington Cable Car Limited for the maintenance and upgrade of the overhead wire trolley system.

For the Council, the principal services rendered were:

- Building consents and licensing services - \$13.240m (2014: \$11.814m)
- Community housing - \$21.438m (2014: \$19.808m)
- Convention and conference centres - \$14.931m (2014: \$13.865m)
- Parking fees and permits - \$17.991m (2014: \$18.015m)
- Landfill operations and recycling - \$10.346m (2014: \$8.407m)

Rendering of services contains unbudgeted revenue from the joint ventures with Porirua City Council - \$1.258m (2014: \$0.490m).

NOTE 3: INVESTMENTS REVENUE

	NOTE	COUNCIL		GROUP	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Dividend from investment in controlled entities		-	-	-	-
Dividend from investment in associates		12,950	11,966	-	-
Dividend from investment in other entities		132	113	132	113
Investment property lease rentals	18	11,094	11,174	11,094	11,174
Proceeds from the sale of shares		-	-	31	-
TOTAL INVESTMENTS REVENUE		24,176	23,253	11,257	11,287

The primary investment dividend was from Council's 34% holding in Wellington International Airport Limited.

NOTE 4: OTHER REVENUE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Gain on disposal of property, plant and equipment	323	2,786	323	2,786
Gain on investment acquisition	1,262	-	1,262	-
Release of provisions	437	1,593	437	1,603
Fuel tax distribution	1,077	1,074	1,077	1,074
Restricted funds	195	1,028	195	1,028
Vested assets	12,368	8,612	12,368	8,612
TOTAL OTHER REVENUE	15,662	15,093	15,662	15,103

The gain on investment acquisition relates to the Council's purchase of Grow Wellington Limited, from Greater Wellington Regional Council, which is now part of the Wellington Regional Economic Development Agency Limited.

Vested assets are principally infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network. Vested assets are non-cash in nature and represent a future obligation to the Council, as the Council will have the on-going costs associated with maintaining the assets.

The values of principal vested assets received were:

- Roading - \$2.341m (2014:\$3.346m)
- Drainage, waste and water - \$2.083m (2014:\$4.183m).
- Improvements to the Clyde Quay Wharf - \$6.500m (2014; Nil)

NOTE 5: FINANCE REVENUE AND EXPENSE

	NOTE	COUNCIL		GROUP	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Finance revenue					
Amortisation of loans to related parties	14	564	512	564	512
Cash flow hedge movements reclassified from hedging reserve		-	-	-	-
Interest on deposits, loans and receivables		2,839	2,240	3,213	2,573
Movements on derivatives at fair value through surplus or deficit		137	-	137	-
Total finance revenue		3,540	2,752	3,914	3,085
<i>Less</i>					
Finance expense					
Interest on borrowings		22,142	21,466	22,143	21,468
Interest on finance leases		29	41	29	41
Movements on derivatives at fair value through surplus or deficit		-	137	-	137
Re-discounting of interest on provisions	23,24	1,067	1,110	1,067	1,110
Total finance expense		23,238	22,754	23,239	22,756
NET FINANCE COST		19,698	20,002	19,325	19,671

Movements arising from the remeasurement of the Group's fair value hedges are offset by a fair value adjustment to borrowings so there is no impact on the net surplus for the year.

Movements on derivatives at fair value through surplus or deficit represents the fair value movements on interest rate swaps that do not meet the criteria for hedge accounting. Movements in the Group's other derivatives that meet the criteria for hedge accounting, are taken to the cash flow hedge reserve and have no impact on the net surplus for the year.

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 23: Employee benefit liabilities and provisions, and Note 24: Provision for other liabilities.

NOTE 6: EXCHANGE/NON-EXCHANGE REVENUE

	COUNCIL		GROUP	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Exchange revenue				
Water rates by meter	12,682	12,329	12,682	12,329
Rendering of services	16,888	16,587	26,157	24,816
Sale of goods	5,916	6,263	7,082	7,285
Dividend from investments	13,082	12,079	132	113
Interest on deposits, loans and receivables	2,839	2,240	3,213	2,573
Investment property lease rentals	11,094	11,174	11,094	11,174
Sale of shares	-	-	31	-
Total exchange revenue	62,501	60,672	60,391	58,290
Non-exchange revenue				
Taxes				
Rates	240,892	234,007	240,892	234,007
Transfers				
Development contributions	2,078	5,873	2,078	5,873
Grants, subsidies and reimbursements	40,826	43,315	53,213	49,597
Fines and penalties	7,857	8,411	7,857	8,411
Rendering of services - subsidised	90,821	83,952	91,543	84,928
Fuel tax	1,077	1,074	1,077	1,074
Restricted funds	195	1,028	195	1,028
Vested assets	12,368	8,612	12,368	8,612
Total non-exchange revenue	396,114	386,272	409,223	393,530
Other revenue				
Loan amortisation	564	512	564	512
Release of provisions	437	1,593	437	1,603
Gains	1,585	2,786	1,585	2,786
Fair value movements	8,689	-	8,689	-
Total other revenue	11,275	4,891	11,275	4,901
TOTAL REVENUE	469,890	451,835	480,889	456,721

For the Council, most revenue transactions are non-exchange as they are subsidised by rates and not fully “user-pays”. Within the Group, most controlled entities are heavily funded through rates-funded operating grants, so their revenue is also largely non-exchange.

NOTE 7: EXPENDITURE ON OPERATING ACTIVITIES

	NOTE	COUNCIL		GROUP	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Auditor's remuneration:					
Audit services - Audit New Zealand - Financial Statements		277	337	382	411
Audit services - Audit New Zealand - Long-Term Plan		135	-	135	-
Audit services - Audit New Zealand - other		34	7	34	7
Audit services - Other Auditors		-	-	35	52
Impairments					
Bad debts written off not previously provided for		307	101	334	101
Increase in provision for impairment of receivables and recoverables	13	452	218	452	218
Impairment loss from property, plant and equipment	19	5,072	458	5,072	1,246
Impairment loss on shares		-	-	6	-
Governance and employment					
Councillor remuneration	38	1,390	1,341	1,390	1,368
Directors/trustees of controlled entities - remuneration		-	-	406	442
Other elected members' remuneration (Community Boards)	38	94	95	94	95
Employee benefits expense:					
Remuneration		79,518	71,268	99,229	89,175
Superannuation contributions (including Kiwisaver)		2,108	1,897	2,526	2,272
Termination benefits (including severances)		641	924	724	974
Other personnel costs		3,609	3,515	4,060	3,950
Insurance					
Insurance premiums		10,713	12,142	11,120	12,613
Insurance reserve costs - net	28	1,632	1,163	1,632	1,163
General					
Advertising, printing and publications		2,850	2,380	9,319	8,173
Consultants and legal fees		9,423	7,497	9,577	7,720
Contractors		3,205	3,260	5,269	4,982
Direct costs		109,788	106,095	118,590	115,090
Grants - general		10,910	11,182	11,028	10,979
Grants to controlled entities	37	17,614	18,275	-	-
Information and communication technology		6,367	6,062	7,230	6,818
Loss on disposal of property, plant and equipment		354	2,565	335	2,486
Loss on disposal of intangibles		24	2,082	24	2,082
Operating lease - minimum lease payments		1,311	1,116	2,527	1,864
Reassessment of provisions	24	1,045	2,979	1,045	2,979
Utility costs		18,899	18,316	19,360	18,710
Other general costs		22,563	22,676	18,519	18,775
TOTAL EXPENDITURE ON OPERATING ACTIVITIES		310,335	297,951	330,454	314,745

Auditor's remuneration

During the period Audit New Zealand provided other services to the Council, namely assurance services relating to the Clifton Terrace carpark managed by the Council on behalf of the New Zealand Transport Agency and specialist assurance advice on shared IT services.

General

Direct costs are costs directly attributable to the provision of Council services, including contracts, maintenance, management fees, materials and services.

Grants - general include \$2.250m (2014: \$2.250m) towards the funding of the Museum of New Zealand Te Papa Tongarewa.

Operating lease minimum lease payments are for non-cancellable agreements for the use of assets such as buildings and specialised computer equipment.

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates and water meter charges of \$11.623m (2014:\$11.333m) on Council-owned properties.

Impairment loss from property, plant and equipment - this primarily relates to the Town Hall due to the building being earthquake prone. Its value in use has been calculated as the difference between the expected value of the building after strengthening has been completed and the costs to strengthen it. The impairment amounts to \$4.513m.

NOTE 8: DEPRECIATION AND AMORTISATION

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Depreciation				
Buildings	22,435	21,879	22,435	21,879
Civic Centre complex	2,793	2,962	2,793	2,962
Restricted buildings	1,430	1,302	1,430	1,302
Drainage, waste and water infrastructure	27,248	28,130	27,248	28,130
Service concession assets	4,969	5,023	4,969	5,023
Landfill post closure	136	202	136	202
Library collections	2,092	2,438	2,092	2,438
Plant and equipment	11,712	9,797	12,684	10,500
Roading infrastructure	21,857	20,201	21,857	20,201
Total depreciation	94,672	91,934	95,644	92,637
Amortisation				
Computer software	4,337	3,926	4,380	3,974
Total amortisation	4,337	3,926	4,380	3,974
TOTAL DEPRECIATION AND AMORTISATION	99,009	95,860	100,024	96,611

Depreciation (amortisation) is 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).

The useful lives of assets and the associated depreciation rates are contained in the Summary of Significant Accounting Policies.

NOTE 9: INCOME TAX EXPENSE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Current tax expense				
Current year	-	-	221	-
Prior period adjustment	-	-	(1)	-
Total current tax expense	-	-	220	-
Deferred tax expense				
Origination and reversal of temporary differences	(68)	(75)	-	-
Change in unrecognised temporary differences	-	-	389	(64)
Recognition of previously unrecognised tax losses	68	75	-	-
TOTAL DEFERRED TAX EXPENSE	-	-	389	(64)

RECONCILIATION OF TAX ON THE SURPLUS AND TAX EXPENSE	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Surplus for the period before taxation	35,542	27,609	36,990	30,143
Prima facie income tax based on domestic tax rate - 28%	9,952	7,731	10,357	8,439
Effect of non-deductible expenses and tax exempt income	(9,977)	(7,751)	(9,873)	(9,725)
Effect of tax losses utilised	68	75	-	-
Current years loss for which no deferred tax asset was recognised	25	20	25	30
Recognition of prior year loss	(68)	(75)	(68)	(75)
Change in unrecognised temporary differences	-	-	542	92
Prior period adjustment	-	-	-	12
Share of income tax of equity accounted associates	-	-	(375)	1,163
TAX EXPENSE/ (CREDIT)	-	-	609	(64)

IMPUTATION CREDITS	GROUP	
	2015 \$000	2014 \$000
Imputation credits available in subsequent periods	77	98

NOTE 10: DEFERRED TAX ASSETS AND LIABILITIES

Unrecognised temporary differences and tax losses

Deferred tax assets have not been recognised in respect of the following items:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Deductible temporary differences	-	-	461	971
Tax losses	1,951	1,882	1,951	1,921
TOTAL	1,951	1,882	2,412	2,892

Under current income tax legislation, the tax losses and deductible temporary differences referred to above do not expire.

The unrecognised deferred tax asset in respect of the above items for the Council is \$0.546m (2014: \$0.527m) and for the Group \$0.675m (2014: \$0.810m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

In 2015, \$0.244m (2014: \$0.270m) previously unrecognised tax losses, with a tax effect of \$0.068m (2014: \$0.076m), were recognised by the Group by way of loss transfer arrangement.

As at 30 June 2015, the Group had a deferred tax liability of \$1.240m (2014: \$1.279m).

NOTE 11: CASH AND CASH EQUIVALENTS

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Cash at bank	1,392	4,434	7,622	5,600
Cash on hand	21	41	34	56
Short term bank deposits up to 3 months	64,500	48,098	67,942	51,197
TOTAL CASH AND CASH EQUIVALENTS	65,913	52,573	75,598	56,853

Bank balances that are interest-bearing earn interest based on current floating bank deposit rates.

Short term deposits are made with a registered bank for varying periods of up to three months depending on the immediate cash requirements and short term borrowings of the Group, and earn interest at the applicable short term deposit rates.

The Council holds short term deposits as part of its overall liquidity risk management programme. This enables the Council to maintain its regular commercial paper programme and to pre-fund upcoming debt maturities. The combination of the commercial paper programme and holding short term deposits reduces the Council's cost of funds.

Ring-fenced funds

The Council holds \$40.356m (2014: \$24.320m) of funds that may only be used for a specified purpose. As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$36.460m (2014: \$21.041m), representing any as yet unused grant funding from the Crown plus the accumulated surpluses and deficits from the Housing activity, has been ring-fenced for future investment in the Council's social housing assets. There is also an amount of \$3.896m (2014: \$3.279m) related to accumulated surpluses and deficits from the Waste Reduction and Energy Conservation activity which, under the Waste Minimisation Act 2008, must be ring-fenced for future investment in waste activities.

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Non-current assets				
Interest rate swaps - cash flow hedges	725	4,428	725	4,428
Total non-current assets	725	4,428	725	4,428
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	725	4,428	725	4,428
Current liabilities				
Interest rate swaps - cash flow hedges	250	180	250	180
Total current liabilities	250	180	250	180
Non-current liabilities				
Interest rate swaps - cash flow hedges	17,937	4,651	17,937	4,651
Interest rate swaps - non-hedged	-	137	-	137
Total non-current liabilities	17,937	4,788	17,937	4,788
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	18,187	4,968	18,187	4,968

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Cash flow hedges are used to fix interest rates on floating rate debt (floating rate notes or commercial paper) or bank borrowings. Fair value hedges are used to convert interest rates on some fixed rate debt (bonds) to floating rates.

For further information on the Council's interest rate swaps please refer to Note 29: Financial instruments and Note 26: Hedging Reserve.

NOTE 13: RECEIVABLES AND RECOVERABLES

RECEIVABLES FROM EXCHANGE TRANSACTIONS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Trade receivables - debtors	4,882	4,062	5,069	4,292
Provision for impairment - debtors	(4)	(2)	(4)	(2)
Net receivables - debtors	4,878	4,060	5,065	4,290
Accrued revenue	691	1,603	691	1,924
Sundry receivables	-	-	694	461
TOTAL RECEIVABLES FROM EXCHANGE TRANSACTIONS	5,569	5,663	6,450	6,675

RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Taxes				
GST recoverable	6,581	5,085	6,549	5,205
Rates recoverable	10,164	9,053	10,164	9,053
Total taxes	16,745	14,138	16,713	14,258
Transfers				
Trade recoverables - debtors	6,755	7,975	8,649	8,997
Provision for impairment - debtors	(382)	(254)	(382)	(254)
Net trade recoverables - debtors	6,373	7,721	8,267	8,743
Trade recoverables - fines	8,991	9,773	8,991	9,773
Provision for impairment - fines	(5,644)	(6,286)	(5,644)	(6,286)
Net trade recoverables - fines	3,347	3,487	3,347	3,487
Total trade recoverables - net	9,720	11,208	11,614	12,230
Other recoverables				
Accrued revenue	6,239	5,493	6,239	5,493
Sundry recoverables	1,741	956	1,440	1,079
Total other recoverables	7,980	6,449	7,679	6,572
Total transfers	17,700	17,657	19,293	18,802
TOTAL RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS	34,445	31,795	36,006	33,060

TOTAL RECEIVABLES AND RECOVERABLES	NOTE	COUNCIL		GROUP	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Represented by:					
Current		40,014	37,458	42,445	39,735
Non-current		-	-	11	-
Total receivables and recoverables		40,014	37,458	42,456	39,735
Trade receivables and recoverables from related parties					
- Controlled entities	37	936	976	-	-
- Associates and jointly controlled entities	37	15	9	15	9
TOTAL TRADE RECEIVABLES AND RECOVERABLES FROM RELATED PARTIES		951	985	15	9

Current trade, rates and sundry receivables and recoverables are non-interest bearing and receipt is generally on 30 day terms, therefore the carrying value approximates their fair value.

The movement in the provision for impairment of trade receivables and recoverables is analysed as follows:

PROVISION FOR IMPAIRMENT OF TOTAL TRADE RECEIVABLES AND RECOVERABLES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	6,542	6,864	6,542	7,155
New provisions made	452	218	452	218
Release of unused provision	(14)	(351)	(14)	(351)
Amount of provision utilised	(950)	(189)	(950)	(480)
PROVISION FOR IMPAIRMENT OF TOTAL TRADE RECEIVABLES AND RECOVERABLES - CLOSING BALANCE	6,030	6,542	6,030	6,542

The ageing profile of total receivables and recoverables at the reporting date is as follows:

COUNCIL	2015			2014		
	GROSS \$000	IMPAIRED \$000	NET \$000	GROSS \$000	IMPAIRED \$000	NET \$000
Trade and other receivables and recoverables						
Not past due	21,864	-	21,864	21,496	-	21,496
Past due 0-3 months	8,540	(79)	8,461	6,311	(98)	6,213
Past due 3-6 months	2,859	(47)	2,812	3,252	(115)	3,137
Past due more than 6 months	12,781	(5,904)	6,877	12,941	(6,329)	6,612
TOTAL TRADE AND OTHER RECEIVABLES AND RECOVERABLES	46,044	(6,030)	40,014	44,000	(6,542)	37,458

GROUP	2015			2014		
	GROSS \$000	IMPAIRED \$000	NET \$000	GROSS \$000	IMPAIRED \$000	NET \$000
Trade and other receivables and recoverables						
Not past due	24,203	-	24,203	23,199	-	23,199
Past due 0-3 months	8,549	(79)	8,470	6,402	(98)	6,305
Past due 3-6 months	2,894	(47)	2,847	3,252	(115)	3,137
Past due more than 6 months	12,840	(5,904)	6,936	13,423	(6,329)	7,094
TOTAL TRADE AND OTHER RECEIVABLES AND RECOVERABLES	48,486	(6,030)	42,456	46,276	(6,542)	39,735

The receivables and recoverables past due for more than six months primarily relates to fines. Due to their nature, the collection pattern for fines is longer than that for trade debtors.

NOTE 14: OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Financial assets at fair value through other comprehensive revenue and expense				
Equity investments:				
- Civic Assurance	633	590	633	590
- NZ Local Government Funding Agency (LGFA)	1,866	1,883	1,866	1,883
- Creative HQ incubator/accelerator shareholdings	-	-	1,401	-
Loans and deposits				
Bank deposits - term greater than 3 months	-	20,000	-	20,400
LGFA - borrower notes	2,208	1,328	2,208	1,328
Loans to related parties - other organisations	4,696	5,898	4,668	5,898
Loans to external organisations	150	150	225	150
TOTAL OTHER FINANCIAL ASSETS	9,553	29,849	11,001	30,249
Represented by:				
Current	150	20,000	150	20,400
Non-current	9,403	9,849	10,851	9,849
TOTAL OTHER FINANCIAL ASSETS	9,553	29,849	11,001	30,249

Civic Assurance is the trading name of New Zealand Local Government Insurance Corporation Limited, which provides insurance products and other financial services principally to local authorities. The Council holds a 4.78% (2014: 4.78%) shareholding in this entity with no present intention to sell.

The New Zealand Local Government Funding Agency Limited (LGFA), which commenced in December 2011, is an alternative debt provider majority-owned by and operated for local authorities. The Council holds an 8% shareholding of the paid-up capital and as a shareholder will benefit from a return on its investment and as a borrower from lower borrowing costs. The LGFA has an AA+ (domestic long term) credit rating from Standard and Poor.

Creative HQ, a controlled entity of Grow Wellington, which is a controlled entity of Wellington Regional Economic Development Agency Limited (WREDA), has small shareholdings in various incubator and accelerator programme companies. These shares are held until the companies mature or cease operations.

Loans

The loans to related parties are concessionary in nature, since the loans have been granted on interest free terms.

The movements in the loans are as follows:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Loans to related parties - other organisations				
<i>Wellington Regional Stadium Trust</i> <i>(nominal value \$15,394,893)</i>				
Opening balance	1,586	1,407	1,586	1,407
Amortisation of fair value adjustment	201	179	201	179
Movement in fair value	(1,766)	-	(1,766)	-
Closing balance at fair value	21	1,586	21	1,586
<i>Karori Wildlife Sanctuary Trust</i> <i>(nominal value \$10,346,689)</i>				
Opening balance	4,312	3,979	4,312	3,979
Amortisation of fair value adjustment	363	333	363	333
Closing balance at fair value	4,675	4,312	4,675	4,312
Loans to other external organisations				
Opening balance	150	-	150	-
New loan advanced	-	300	75	300
Loan repayments	-	(150)	-	(150)
Movement in fair value	-	-	(28)	-
Closing balance at fair value	150	150	197	150
TOTAL LOANS	4,846	6,048	4,893	6,048

The fair value movement on loans reflects the timing of their expected repayments and the interest free nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value.

The amortisation rate applicable to the Wellington Regional Stadium Trust is 12.710%. Following recent notification from the Trust, the expected repayment of this loan has been extended to 2070 in keeping with the terms of the loan, which states that repayment will only occur once all other debt has been repaid. The fair value of the loan has been reduced accordingly.

The amortisation rates applicable to the Karori Wildlife Sanctuary Trust range from 6.875% to 12.710%. This loan is expected to be fully repaid by the end of 2040.

Loans to other external organisations are generally suspensory loan arrangements associated with economic development grants provided by Council to achieve defined outcomes. The loans are repayable in the event that the economic development outcomes agreed in providing the grant are not delivered. As agreed outcomes for the grants are met, the loans are reduced accordingly.

Further information on the related parties is disclosed in Note 37: Related party disclosures.

NOTE 15: INVENTORIES

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Consumables	633	631	1,453	1,313
Inventories held for re-sale	197	256	327	360
Inventories held for distribution	69	82	69	82
TOTAL INVENTORIES	899	969	1,849	1,755

Consumables are materials or supplies which will be consumed in conjunction with the delivery of services. Consumables within the Council predominately comprise nursery plants, printing products and drainage and waste consumables. Consumables within the Group are mainly Wellington Cable Car Limited inventories of spare parts.

Inventories held for resale within the Council mainly comprise inventories at the Botanic Gardens and the Council's swimming pools. The Group includes inventories at Wellington Museums Trust and Wellington Zoo.

Inventories held for distribution primarily relate to the holding of wheelie bins, green bins and recycling bags for distribution at no or nominal cost.

NOTE 16: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	1,367	272	1,367	272
Disposals	(1,041)	(272)	(1,041)	(272)
Transfers from property, plant and equipment	1,668	1,367	1,668	1,367
Transfers to property, plant and equipment	(326)	-	(326)	-
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE - CLOSING BALANCE	1,668	1,367	1,668	1,367

Non-current assets held for sale are valued at the lower of the carrying amount and fair value less costs to sell at the time of reclassification.

NOTE 17: INTANGIBLES

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Computer software				
Cost - opening balance	39,849	43,011	40,491	43,701
Accumulated amortisation	(32,995)	(31,941)	(33,567)	(32,592)
Computer software opening balance	6,854	11,070	6,924	11,109
Acquired by direct purchase	6,774	1,792	6,859	1,871
Amortisation	(4,337)	(3,926)	(4,380)	(3,974)
Net disposals	(39)	(2,082)	(48)	(2,082)
Transfer from property, plant and equipment	467	-	467	-
Total computer software - closing balance	9,719	6,854	9,822	6,924
Cost	49,256	39,849	49,965	40,491
Accumulated amortisation	(39,537)	(32,995)	(40,143)	(33,567)
Total computer software - closing balance	9,719	6,854	9,822	6,924
Work in progress				
Computer software	10,435	9,864	10,435	9,864
Total work in progress	10,435	9,864	10,435	9,864
Carbon credits				
Cost - Opening Balance	575	436	575	436
Additions	768	169	768	169
Net disposals	(32)	(30)	(32)	(30)
Total Carbon credits - closing balance	1,311	575	1,311	575
TOTAL INTANGIBLES	21,465	17,293	21,568	17,363

Disposals and transfers are reported net of accumulated amortisation.

The increase in computer software work in progress reflects Council's commitment to enhancing its technological capabilities across a number of platforms. Council has embarked on replacing its core applications, with a new electronic document records management system and a new asset management information system for its infrastructure assets.

Carbon credits

As part of the Emissions Trading Scheme (ETS) the Council received carbon credits from the central government in recognition of the carbon absorbed by a portion of the Council's green belt. For the year ending 30 June 2015 the Council received 74,643 credits (2014: 29,721). The Council purchased 67,874 credits (2014: 110,000) in the market to cover the expected liabilities associated with landfill operations. During the year 32,445 credits (2014: 54,213) were surrendered to meet the Council's ETS obligations for the 2014 calendar year. The Council also sold any remaining purchased credits that were not able to be used after May 2015 due to Government regulation changes. At 30 June 2015 the total number of credits held is 328,072 (2014: 320,194).

At 30 June 2015 the liability relating to landfill carbon emissions is \$0.161m (2014: \$0.024m).

More information on carbon credits can be found in the Statements of Service Provision under activity 2.2: Waste reduction and energy conservation.

NOTE 18: INVESTMENT PROPERTIES

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	192,901	205,951	192,901	205,951
Additions by acquisition	10	-	10	-
Additions by subsequent expenditure	-	781	-	781
Fair value revaluation movements taken to surplus/(deficit)	8,552	(7,661)	8,552	(7,661)
Transfer to property, plant and equipment	-	(6,170)	-	(6,170)
Transfer from property, plant and equipment	94	-	94	-
INVESTMENT PROPERTIES - CLOSING BALANCE	201,557	192,901	201,557	192,901

Wellington City Council's investment properties including the Wellington Waterfront investment properties were valued as at 30 June 2015 by William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for CBRE Limited.

The Council's total investment properties comprise ground leases of \$160.058m (2014: \$153.480m) and land and buildings of \$41.499m (2014: \$39.421m) held for investment purposes.

Ground leases are parcels of land owned by the Council in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the rental revenue over the remaining term of the lease and add the residual value of the land at lease expiry. For sites subject to perpetually renewable leases values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross rental payments.

REVENUES AND EXPENSES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Revenue from investment properties	11,094	11,174	11,094	11,174
Direct operating expenses of investment properties				
- From investment properties that generated revenue	157	545	157	545
Contractual obligations for capital expenditure	3	19	3	19
Contractual obligations for operating expenditure	5	13	5	13

The direct operating expenses relating to investment properties form part of the direct expenses in Note 7: Expenditure on operating activities.

FAIR VALUE OF INVESTMENT PROPERTIES VALUED BY INDEPENDENT REGISTERED VALUERS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
William Bunt - CBRE Limited	201,557	154,830	201,557	154,830
Andrew Washington - Colliers International Limited	-	38,071	-	38,071
TOTAL FAIR VALUE OF INVESTMENT PROPERTIES VALUED BY INDEPENDENT REGISTERED VALUERS	201,557	192,901	201,557	192,901

NOTE 19: PROPERTY, PLANT AND EQUIPMENT

The movements in the property, plant and equipment assets are summarised as follows:

SUMMARY	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Property, plant and equipment - Opening balance	6,536,012	6,546,292	6,547,197	6,558,933
Additions	142,128	104,321	142,292	106,736
Disposals	(672)	(3,503)	(862)	(3,504)
Depreciation expense	(94,672)	(91,934)	(95,644)	(92,637)
Impairment losses	(5,072)	(458)	(5,072)	(1,246)
Revaluation movement	11,168	(45,290)	11,168	(47,163)
Transfer to non-current assets held for sale	(1,668)	(1,367)	(1,668)	(1,367)
Transfer from non-current assets held for sale	326	-	326	-
Transfer to intangibles	(467)	-	(467)	-
Transfer from investment properties	-	6,170	-	6,170
Transfer to investment properties	(94)	-	(94)	-
Movement in work in progress	8,911	21,781	10,789	21,275
Acquisition of controlled entity	-	-	261	-
PROPERTY, PLANT AND EQUIPMENT - CLOSING BALANCE	6,595,900	6,536,012	6,608,226	6,547,197

The movements according to the individual classes of assets are as follows:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Operational assets				
Land				
Land - at cost - opening balance	-	-	-	-
Land - at valuation - opening balance	213,082	203,331	213,082	203,331
Total land - opening balance	213,082	203,331	213,082	203,331
Additions	1,322	6,976	1,322	6,976
Revaluation movement	10,837	-	10,837	-
Transfer between asset classes	(1,680)	2,775	(1,680)	2,775
Transfer to investment property	(94)	-	(94)	-
Transfer to non-current assets held for sale	(559)	-	(559)	-
Total land - closing balance	222,908	213,082	222,908	213,082
Land - at cost - closing balance	-	-	-	-
Land - at valuation - closing balance	222,908	213,082	222,908	213,082
Total land - closing balance	222,908	213,082	222,908	213,082
Buildings				
Buildings - at cost - opening balance	69,409	60,906	69,409	60,906
Buildings - at valuation - opening balance	539,236	547,282	539,236	547,282
Total cost/valuation	608,645	608,188	608,645	608,188
Accumulated depreciation	(33,854)	(17,813)	(33,854)	(17,813)
Total buildings - opening balance	574,791	590,375	574,791	590,375
Additions	66,705	10,741	66,705	10,741
Depreciation expense	(22,435)	(21,879)	(22,435)	(21,879)
Disposals	(16)	(1,228)	(16)	(1,228)
Impairment	-	(458)	-	(458)
Revaluation movement	331	(9,295)	331	(9,295)
Transfer between asset classes	(63,351)	365	(63,351)	365
Transfer from investment properties	-	6,170	-	6,170
Total buildings - closing balance	556,025	574,791	556,025	574,791
Buildings - at cost - closing balance	-	69,409	-	69,409
Buildings - at valuation - closing balance	556,025	539,236	556,025	539,236
Total cost/valuation	556,025	608,645	556,025	608,645
Accumulated depreciation	-	(33,854)	-	(33,854)
Total buildings - closing balance	556,025	574,791	556,025	574,791

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	3,643	3,783	3,643	3,783
Accumulated depreciation	(2,301)	(2,100)	(2,301)	(2,100)
Total landfill post closure costs - opening balance	1,342	1,683	1,342	1,683
Depreciation expense	(136)	(202)	(136)	(202)
Transfer between asset classes	1	-	1	-
Movement in post closure costs	(604)	(139)	(604)	(139)
Total landfill post closure costs - closing balance	603	1,342	603	1,342
Landfill post closure - at cost - closing balance	3,040	3,643	3,040	3,643
Accumulated depreciation	(2,437)	(2,301)	(2,437)	(2,301)
Total landfill post closure costs - closing balance	603	1,342	603	1,342
Civic Centre complex				
Civic Centre complex - at cost - opening balance	173,817	173,691	173,817	173,691
Accumulated depreciation	(58,165)	(55,931)	(58,165)	(55,931)
Total Civic Centre complex - opening balance	115,652	117,760	115,652	117,760
Additions	7,239	1,541	7,239	1,541
Disposals	-	(687)	-	(687)
Depreciation expense	(2,793)	(2,962)	(2,793)	(2,962)
Impairment	(4,513)	-	(4,513)	-
Transfer between asset classes	23	-	23	-
Total Civic Centre complex- closing balance	115,608	115,652	115,608	115,652
Civic Centre complex - at cost - closing balance	176,562	173,817	176,562	173,817
Accumulated depreciation	(60,954)	(58,165)	(60,954)	(58,165)
Total Civic Centre complex- closing balance	115,608	115,652	115,608	115,652
Plant and equipment				
Plant and equipment - at cost - opening balance	166,755	157,065	179,310	169,867
Accumulated depreciation	(84,860)	(77,728)	(91,250)	(83,415)
Total plant and equipment - opening balance	81,895	79,337	88,060	86,452
Additions	6,865	13,846	7,026	16,261
Depreciation expense	(11,712)	(9,797)	(12,684)	(10,500)
Disposals	(352)	(1,491)	(542)	(1,492)
Impairment	-	-	-	(788)
Transfer between asset classes	44,372	-	44,372	(1,873)
Transfer to intangibles	(467)	-	(467)	-
Acquisition of controlled entity	-	-	261	-
Total plant and equipment - closing balance	120,601	81,895	126,026	88,060
Plant and equipment - at cost	213,057	166,755	225,843	179,310
Accumulated depreciation	(92,456)	(84,860)	(99,817)	(91,250)
Total plant and equipment - closing balance	120,601	81,895	126,026	88,060

1. The Council's share of the joint venture with Porirua City Council relating to the Spicer Valley Landfill is included in this asset class.

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Library collections				
Library collections - at cost - opening balance	-	3,972	-	3,972
Library collections - at valuation - opening balance	14,812	15,715	14,812	15,715
Total cost/valuation	14,812	19,687	14,812	19,687
Accumulated depreciation	-	(4,377)	-	(4,377)
Total library collections - opening balance	14,812	15,310	14,812	15,310
Additions	1,665	2,072	1,665	2,072
Depreciation expense	(2,092)	(2,438)	(2,092)	(2,438)
Revaluation movement	-	(132)	-	(132)
Total library collections - closing balance	14,385	14,812	14,385	14,812
Library collections - at cost - closing balance	1,664	-	1,664	-
Library collections - at valuation - closing balance	14,817	14,812	14,817	14,812
Total cost/valuation	16,481	14,812	16,481	14,812
Accumulated depreciation	(2,096)	-	(2,096)	-
Total library collections - closing balance	14,385	14,812	14,385	14,812
TOTAL OPERATIONAL ASSETS	1,030,130	1,001,574	1,035,555	1,007,739
Infrastructure assets				
Drainage, waste and water				
Drainage, waste and water - at cost - opening balance	-	76,885	-	76,885
Drainage, waste and water - at valuation - opening balance	1,177,524	1,193,003	1,177,524	1,193,003
Total cost/valuation	1,177,524	1,269,888	1,177,524	1,269,888
Accumulated depreciation	-	(56,351)	-	(56,351)
Total drainage, water and waste - opening balance	1,177,524	1,213,537	1,177,524	1,213,537
Additions	25,235	27,784	25,235	27,784
Depreciation expense	(27,248)	(28,130)	(27,248)	(28,130)
Revaluation movement	-	(35,663)	-	(35,663)
Transfer between asset classes	19,631	(4)	19,631	(4)
Total drainage, water and waste - closing balance	1,195,142	1,177,524	1,195,142	1,177,524
Drainage, waste and water - at cost - closing balance	25,215	-	25,215	-
Drainage, waste and water - at valuation - closing balance	1,196,804	1,177,524	1,196,804	1,177,524
Total cost/valuation	1,222,019	1,177,524	1,222,019	1,177,524
Accumulated depreciation	(26,877)	-	(26,877)	-
Total drainage, water and waste - closing balance	1,195,142	1,177,524	1,195,142	1,177,524
Roading				
Roading - at cost - opening balance	-	77,227	-	77,227
Roading - at valuation - opening balance	824,096	784,374	826,696	786,974
Total cost/valuation	824,096	861,601	826,696	864,201
Accumulated depreciation	-	(38,113)	-	(38,113)
Total roading - opening balance	824,096	823,488	826,696	826,088
Additions	29,927	35,286	29,927	35,286
Depreciation expense	(21,857)	(20,201)	(21,857)	(20,201)
Revaluation movement	-	(14,481)	-	(16,354)
Transfer between asset classes	7	4	7	1,877
Total roading - closing balance	832,173	824,096	834,773	826,696

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Roadings - at cost - closing balance	29,927	-	29,927	-
Roadings - at valuation - closing balance	824,103	824,096	826,703	826,696
Total cost/valuation	854,030	824,096	856,630	826,696
Accumulated depreciation	(21,857)	-	(21,857)	-
Total roadings - closing balance	832,173	824,096	834,773	826,696
Service concession assets				
Service concession assets - at cost - opening balance	-	-	-	-
Service concession assets - at valuation - opening balance	154,767	157,571	154,767	157,571
Total cost/valuation	154,767	157,571	154,767	157,571
Accumulated depreciation	-	(10,047)	-	(10,047)
Total service concession assets - opening balance	154,767	147,524	154,767	147,524
Depreciation expense	(4,969)	(5,023)	(4,969)	(5,023)
Revaluation movement	-	12,266	-	12,266
Total service concession assets - closing balance	149,798	154,767	149,798	154,767
Service concession assets - at cost - closing balance	-	-	-	-
Service concession assets - at valuation - closing balance	154,767	154,767	154,767	154,767
Total cost/valuation	154,767	154,767	154,767	154,767
Accumulated depreciation	(4,969)	-	(4,969)	-
Total service concession assets - closing balance	149,798	154,767	149,798	154,767
Infrastructure land				
Infrastructure land - at cost - opening balance	-	-	-	-
Infrastructure land - at valuation - opening balance	38,007	36,077	38,007	36,077
Total infrastructure land - opening balance	38,007	36,077	38,007	36,077
Additions	512	2,799	512	2,799
Revaluation movement	-	2,015	-	2,015
Transfer between asset classes	(2,189)	(2,884)	(2,189)	(2,884)
Transfer to non-current assets held for sale	(320)	-	(320)	-
Total infrastructure land - closing balance	36,010	38,007	36,010	38,007
Infrastructure land - at cost - closing balance	192	-	192	-
Infrastructure land - at valuation - closing balance	35,818	38,007	35,818	38,007
Total infrastructure land - closing balance	36,010	38,007	36,010	38,007
Land under roads				
Land under roads - at cost - opening balance	2,947,969	2,947,937	2,947,969	2,947,937
Additions	891	58	891	58
Disposals	(304)	(51)	(304)	(51)
Transfer between asset classes	2,389	109	2,389	109
Transfer to non-current assets held for sale	(748)	(84)	(748)	(84)
Land under roads - closing balance	2,950,197	2,947,969	2,950,197	2,947,969
TOTAL INFRASTRUCTURE ASSETS	5,163,320	5,142,363	5,165,920	5,144,963

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Restricted assets				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,927	9,279	11,263	11,615
Additions	-	13	3	13
Transfer between asset classes	-	(365)	-	(365)
Art and cultural assets - closing balance	8,927	8,927	11,266	11,263
Restricted buildings				
Restricted buildings - at cost - opening balance	35,470	34,832	35,470	34,832
Accumulated depreciation	(8,095)	(6,793)	(8,095)	(6,793)
Total restricted buildings - opening balance	27,375	28,039	27,375	28,039
Additions	1,507	638	1,507	638
Depreciation expense	(1,430)	(1,302)	(1,430)	(1,302)
Impairment	(559)	-	(559)	-
Transfer between asset classes	237	-	237	-
Restricted buildings - closing balance	27,130	27,375	27,130	27,375
Restricted buildings - at cost - closing balance	36,627	35,470	36,627	35,470
Accumulated depreciation	(9,497)	(8,095)	(9,497)	(8,095)
Total restricted buildings - closing balance	27,130	27,375	27,130	27,375
Parks and reserves				
Parks and reserves - at cost - opening balance	210,179	208,802	210,179	208,802
Additions	864	2,706	864	2,706
Disposals	-	(46)	-	(46)
Transfer between asset classes	560	-	560	-
Transfer from non-current assets held for sale	326	-	326	-
Transfer to non-current assets held for sale	(41)	(1,283)	(41)	(1,283)
Parks and reserves - closing balance	211,888	210,179	211,888	210,179
Town Belt - at cost	84,544	84,544	84,544	84,544
Zoo animals - at cost	500	500	500	500
TOTAL RESTRICTED ASSETS	332,989	331,525	335,328	333,861
Work in progress				
- Land	53	80	53	80
- Buildings	22,698	52,311	22,698	52,311
- Civic Centre complex	4,368	-	4,368	-
- Plant and equipment	8,142	7,990	10,104	8,074
- Library	390	-	390	-
- Drainage, waste and water	3,838	-	3,838	-
- Roading	28,745	-	28,745	-
- Art and cultural	180	169	180	169
- Restricted buildings	1,047	-	1,047	-
TOTAL WORK IN PROGRESS	69,461	60,550	71,423	60,634
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,595,900	6,536,012	6,608,226	6,547,197

Finance leases

The net carrying amount of plant and equipment assets held by the Council under finance leases is \$0.286m (2014: \$0.739m).

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the Local Government Act 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Provision.

Core assets

Included within the infrastructure assets above are the following core Council assets:

COUNCIL	2015			
	CLOSING BOOK VALUE	ADDITIONS		REPLACEMENT COST
		CONSTRUCTED	VESTED	
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	529,724	13,265	933	939,317
Sewerage				
- treatment plants and facilities	166,095	-	-	221,739
- other assets	318,492	7,959	332	768,062
Stormwater drainage	329,221	4,821	818	650,194
Flood protection and control works	-	-	-	-
Roads and footpaths	609,293	41,389	986	830,123
TOTAL	1,952,825	67,434	3,069	3,409,435

COUNCIL	2014			
	CLOSING BOOK VALUE	ADDITIONS		REPLACEMENT COST
		CONSTRUCTED	VESTED	
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	514,471	12,822	1,092	883,590
Sewerage				
- treatment plants and facilities	171,589	-	-	211,785
- other assets	317,622	9,957	1,288	725,665
Stormwater drainage	327,629	5,291	1,806	615,621
Flood protection and control works	-	-	-	-
Roads and footpaths	602,634	25,785	560	784,610
TOTAL	1,933,945	53,855	4,746	3,221,271

Water and roads assets are not on the valuation cycle this year. Therefore their replacement costs are based on the optimised replacement costs estimate figures in the valuation for the 2013/14 year measured against an appropriate index to get an indication of potential value changes. These indicators are the same as those used for Council's Long-Term Plan (LTP). The infrastructure indicators used are sourced from Business and Economic Research Limited (BERL) titled "Forecasts of Price Level Change Adjustors".

The core value of roads and footpaths shown above excludes the value of retaining walls, street lighting, sumps and leads and other related assets totalling \$222.8 m that are included in the value of roading assets under infrastructure assets as disclosed above.

Revaluation of property, plant and equipment

The Council's operational land and buildings were valued as at 30 June 2015, and infrastructural land as at 30 June 2014 by William Bunt (FNZIV, FPNZI), registered valuer and Director of Valuation Services for CBRE Limited.

Library collections were valued as at 30 June 2014 by the Council's library staff. The revaluation was carried out in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets published by the Treasury accounting team, in November 2002. An independent peer review was conducted by Michaela O'Donovan, Service Design and Implementation Manager, National Library of New Zealand.

The drainage, waste and water infrastructure and roading networks and the service concession assets were valued as at 30 June 2014 by John Vessey (MIPENZ), Partner of Opus International Consultants Limited.

In the years in which an asset class is not revalued, the Group assesses whether there has been any material change in the value of that asset class. The movement in asset values between 30 June 2014 and 30 June 2015 for the infrastructure assets were assessed using appropriate indices. The increase in asset value of 1.7% was not considered material by management and accordingly the assets were not revalued at 30 June 2015.

Further information on revaluation reserves and movements is contained in Note 25: Revaluation reserves.

Service concession arrangements

The service concession arrangement asset class consists of the Moa Point, Western (Karori) and Carey's Gulley waste water treatment plants which are owned by the Council but operated by Veolia Water under agreement. The assets are valued consistently with waste infrastructure network assets.

The Moa Point sewerage treatment plant is owned by the Council and operated by Veolia Water under a design, build and operate contract. Veolia Water also operates the Council-owned Western (Karori) and Carey's Gully treatment plants. The plants and building assets are included in the service concession arrangement assets above.

Veolia Water is required to fund all renewals and repairs and return the plants to the Council in 2020 with a future life expectancy of at least 25 years.

As asset owner, the Council incurs all associated operating expenses, namely management fees, depreciation and finance costs. In accordance with section 100 of the Local Government Act 2002, the Council does not fully fund the plant's depreciation expenditure.

Veolia's monthly management fee is determined in accordance with annually adjusted tariffs. The contract terminates either on the expiry of the 25-year term (2020) or on the occurrence of a contract default event by either party. The contract's right of renewal resides with the Council.

Insurance of assets

	COUNCIL	
	2015 \$000	2014 \$000
Total value of property, plant and equipment	6,595,900	6,536,012
Value or assets covered by insurance contracts	3,090,300	3,042,231
The maximum amount to which assets are insured under Council insurance policies	820,000	720,000

The value of assets covered by insurance excludes land and land under roads.

In addition to Council's insurance, in the event of natural disaster it is assumed that the central government will contribute 60% towards the restoration of Council owned underground drainage, waste and water assets and the NZTA will contribute between 44-54% towards the restoration of roading assets.

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve fund of \$8.727m (2014:\$ 9.609m) exists to meet the cost of claims that fall below deductible limits under Council insurance policies. Refer to Note 28: Restricted Funds

NOTE 20: EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE

PAYABLES UNDER EXCHANGE TRANSACTIONS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Exchange payables and accruals	36,740	39,080	40,690	40,999
Interest payable	2,951	3,679	2,951	3,679
Sundry payables	6,368	3,339	6,911	3,739
TOTAL PAYABLES UNDER EXCHANGE TRANSACTION	46,059	46,098	50,552	48,417

TAXES AND TRANSFERS PAYABLE	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Taxes payable				
- GWRC rates	2,315	2,231	2,315	2,231
- FBT	53	71	54	71
- PAYE	909	927	1,075	1,105
- ESCT	21	18	22	19
- Carbon credit liability	161	24	161	24
Transfers payable				
- Creditors and accruals	4,797	4,675	4,797	4,675
- Sundry payables	4,379	4,295	4,393	4,481
TOTAL TAXES AND TRANSFERS PAYABLE	12,635	12,241	12,817	12,606

TOTAL EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Payables under exchange transactions	46,059	46,098	50,552	48,417
Taxes and transfers payable	12,635	12,241	12,817	12,606
	58,694	58,339	63,369	61,023
Represented by:				
Current	58,064	57,709	62,739	60,393
Non-current	630	630	630	630
TOTAL EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE	58,694	58,339	63,369	61,023

EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE TO RELATED PARTIES	NOTE	COUNCIL		GROUP	
		2015 \$000	2014 \$000	2015 \$000	2014 \$000
Controlled entities	37	1,455	1,203	-	-
Associates and jointly controlled entities	37	295	1,030	295	1,030
TOTAL EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE TO RELATED PARTIES		1,750	2,233	295	1,030

Exchange transactions, taxes and transfers payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date.

NOTE 21: REVENUE IN ADVANCE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Exchange				
- Lease rentals	3,605	3,942	3,605	3,942
- Other	-	27	-	27
Taxes				
- Rates	876	968	876	968
Transfers				
- Wellington Venues operations	1,325	1,547	1,325	1,547
- Inspection and licensing fees	2,909	2,335	2,909	2,335
- Controlled entities	-	-	801	589
- Other	1,348	1,536	1,348	1,536
Liabilities recognised under conditional transfer agreements	19,230	1,750	21,927	2,280
TOTAL REVENUE IN ADVANCE	29,293	12,105	32,791	13,224

Liabilities recognised under conditional transfer agreements

Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

NOTE 22: BORROWINGS

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long-term Plan processes.

Gross borrowings

The gross borrowings are comprised as follows:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Current				
Bank facilities - short term - committed	2,000	-	2,000	-
Bank loans - term	5	-	5	-
Commercial paper	72,000	100,000	72,000	100,000
Debt securities - fixed rate bonds	5,000	-	5,000	-
Debt securities - floating rate notes	85,000	29,000	85,000	29,000
Finance leases	99	371	102	375
Total current	164,104	129,371	164,107	129,375
Non-current				
Bank loans - term	3,069	3,125	3,069	3,125
Debt securities - fixed rate bonds	20,000	20,000	20,000	20,000
Debt securities - floating rate notes	246,500	266,500	246,500	266,500
Finance leases	55	122	55	125
Total non-current	269,624	289,747	269,624	289,750
TOTAL BORROWINGS	433,728	419,118	433,731	419,125

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity dates and to ensure there is long-term access to funds. Further information on the liquidity and market risks associated with borrowings is contained in Note 29: Financial instruments.

The following table shows the utilisation of the borrowing facilities available to the Group at the end of the reporting period. The table also indicates the current applicable maturity and interest rate ranges:

GROUP	AVAILABLE	UTILISED	MATURITIES	RATES
	\$000	\$000		%
Bank overdraft - committed	1,550	-	-	-
Bank facilities - short term - uncommitted	5,000	-	-	-
Bank facilities - long term - committed	120,000	2,000	on call	4.625
Bank loans - term	3,074	3,074	2015-2036	7.00
Commercial paper	72,000	72,000	-3 months	3.34 - 3.75
Debt securities - fixed rate bonds	25,000	25,000	2016-2023	4.06 - 5.48
Debt securities - floating rate notes	331,500	331,500	2015-2023	3.59 - 5.10
Finance leases	157	157	2015-2017	10.22
TOTAL	558,281	433,731		

Security

Borrowings are secured by way of a Debenture Trust deed over the Council's rates revenue.

Internal borrowings

Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

Finance lease liabilities

The Group has entered into finance leases for items of plant and equipment, predominantly computer equipment. The net carrying amount of the leased items is included within plant and equipment shown in Note 19: Property, plant and equipment.

The finance leases can be renewed at the Group's option, with rentals set by reference to current market rates for items of equivalent age and condition. The Group does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Group by any of the finance leasing arrangements.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The finance lease liabilities are analysed as follows:

FINANCE LEASE LIABILITIES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Future minimum lease payments				
Not later than one year	109	394	112	399
Later than one year and not later than five years	58	130	58	133
Later than five years	-	-	-	-
Total future minimum lease payments	167	524	170	532
Future finance charges	(13)	(31)	(13)	(32)
PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	154	493	157	500
Present value of future minimum lease payments				
Not later than one year	99	371	102	375
Later than one year and not later than five years	55	122	55	125
Later than five years	-	-	-	-
TOTAL PRESENT VALUE OF FUTURE MINIMUM LEASE PAYMENTS	154	493	157	500

NOTE 23: EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Current				
Short-term benefits				
Payroll accruals	1,166	771	1,455	1,039
Holiday leave	5,028	4,380	5,900	5,324
Total short-term benefits	6,194	5,151	7,355	6,363
Termination benefits				
Other contractual provisions	112	77	112	77
Total termination benefits	112	77	112	77
Total current	6,306	5,228	7,467	6,440
Non-current				
Long-term benefits				
Long service leave provision	-	-	49	69
Retirement gratuities provision	1,096	1,207	1,108	1,219
Total long-term benefits	1,096	1,207	1,157	1,288
TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS	7,402	6,435	8,624	7,728

Movements in the above short term and long term benefit provisions are analysed as follows:

LONG SERVICE LEAVE PROVISION	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	-	-	69	78
Additional or increased provision made	-	-	-	-
Release of provision	-	-	-	(9)
Amount utilised	-	-	(20)	-
LONG SERVICE LEAVE - CLOSING BALANCE	-	-	49	69

RETIREMENT GRATUITIES PROVISION	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	1,207	1,474	1,219	1,486
Movement in required provision	(19)	(52)	(19)	(52)
Release of unused provision	(29)	(109)	(29)	(109)
Rediscounting of interest	75	92	75	92
Amount utilised	(138)	(198)	(138)	(198)
RETIREMENT GRATUITIES - CLOSING BALANCE	1,096	1,207	1,108	1,219

Background

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' service will, on retirement, be entitled to a payment based on years of service and current salary. This entitlement has not been offered to Council employees since 1991. Based on the age of remaining participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Estimation

The gross retirement gratuities provision (inflation adjusted at 2.25%) as at 30 June 2015, before discounting, is \$1.435m (2014: \$1.679m). The discount rate used is 6.10%.

Movement in the above termination benefits provision is analysed as follows:

OTHER CONTRACTUAL PROVISIONS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	77	714	77	714
New provision	112	77	112	77
Release of unused provision	(7)	-	(7)	-
Amount utilised	(70)	(714)	(70)	(714)
OTHER CONTRACTUAL PROVISIONS - CLOSING BALANCE	112	77	112	77

Background

The above provision is to cover estimated redundancy costs as at 30 June 2015 resulting from current restructuring within the Council.

NOTE 24: PROVISION FOR OTHER LIABILITIES

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Current				
ACC Partnership programme	27	31	27	31
Landfill post closure costs	2,112	2,311	2,112	2,311
Weathertight homes	13,068	28,439	13,068	28,439
Total current	15,207	30,781	15,207	30,781
Non-current				
Landfill post closure costs	13,708	13,468	13,708	13,468
Weathertight homes	28,132	21,954	28,132	21,954
Total non-current	41,840	35,422	41,840	35,422
TOTAL PROVISION FOR OTHER LIABILITIES	57,047	66,203	57,047	66,203

Movements in the above provisions for other liabilities are analysed as follows:

ACC PARTNERSHIP PROGRAMME	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	31	20	31	20
Change in provision for risks incurred	65	95	65	95
Amounts utilised	(69)	(84)	(69)	(84)
Total liability for claims outstanding	27	31	27	31
Represented by:				
Present value of future payments	23	30	23	30
Risk margin	4	1	4	1
TOTAL LIABILITY FOR CLAIMS OUTSTANDING	27	31	27	31

Background

The Council is a member of the Accident Compensation Corporation (ACC) partnership programme. The Council acts as an agent on behalf of ACC managing claims for its employees and providing entitlements under the Accident Insurance Act 1998 in relation to work-related personal injuries and illnesses.

Estimation

This provision represents an estimate of the claims outstanding at the end of the reporting period together with an estimate of the claims incurred but not yet reported.

LANDFILL POST CLOSURE COSTS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	15,779	16,349	15,779	16,349
Release of provision	(866)	(1,284)	(866)	(1,284)
Re-discounting of interest	1,114	1,018	1,114	1,018
Amount utilised	(207)	(304)	(207)	(304)
LANDFILL POST CLOSURE COSTS - CLOSING BALANCE	15,820	15,779	15,820	15,779

Background

The Council operates the Southern Landfill (Stage 3) and has a 21.5% joint venture interest in the Spicer Valley Landfill. It also manages a number of closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- final cover application and vegetation
- incremental drainage control features
- completing facilities for post closure responsibilities.

Post closure responsibilities include:

- treatment and monitoring of leachate
- ground water and surface monitoring
- gas monitoring and recovery
- implementation of remedial measures such as needed for cover and control systems
- ongoing site maintenance for drainage systems, final cover and vegetation.

The management of the landfill will influence the timing of recognition of some liabilities - for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

Estimations

The long term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Future cash flows are discounted using the rate of 6.10%. The gross provision (inflation adjusted at 2.94%), before discounting, is \$23.445m as at 30 June 2015 (2014: \$23.287m). This represents the Council's projection of the amount required to settle the obligation at the estimated time of the cash outflow.

Stage 3 of the Southern Landfill has an estimated remaining capacity of 780,000m³ (2014: 700,000m³) and is expected to close in 2018. These estimates have been made by the Council's engineers based on expected future and historical volume information.

The Council's provision includes a proportionate share of the Spicer Valley Landfill provision for post closure costs. The Spicer Valley Landfill has an estimated remaining capacity of 483,000m³ (2014: 536,000m³) and an estimated remaining life out to the end of 2022 (7 years).

WEATHERTIGHT HOMES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	50,393	66,979	50,393	66,979
Additional or increased provision made	980	2,884	980	2,884
Amount utilised	(10,173)	(19,470)	(10,173)	(19,470)
Weathertight homes - closing balance	41,200	50,393	41,200	50,393
Current	13,068	28,439	13,068	28,439
Non-current	28,132	21,954	28,132	21,954
WEATHERTIGHT HOMES - CLOSING BALANCE	41,200	50,393	41,200	50,393

Background

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. The provision also includes an amount of \$3.282m (2014: \$4.997m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Movement in the provision

During the year \$10.173m was paid as either part or full settlement of claims. An additional \$0.980m was added to the provision after an actuarial re-assessment of the likely future costs to be incurred as explained below. The current / non-current split above reflects the expected timing of payments but is reassessed each year to take account of delays in claim negotiations and any mediation outcomes.

Estimation

The Council has provided for the expected future costs of reported claims. The provision for active claims is based on the best estimate of the Council's expected future costs to settle these claims and is reviewed on a case by case basis. The estimate for claims that have been notified and are not yet actively managed and unreported claims is based on actuarial assessments and other information on these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future. This represents the Council's best estimate of the amount required to settle the obligation at the estimated time of the cash outflow. Future cash flows are inflation-adjusted and discounted using an applicable discount rate. The provision is net of any third-party contributions including insurance, where applicable.

The provision is based on best estimates and actuarial assessments and therefore actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported.

The significant assumptions used in the calculation of the weathertight homes provision are as follows:

Amount claimed

Represents the expected amount claimed by the homeowner and is based on the actual amounts for claims already settled.

Settlement amount

Represents the expected amount of awarded settlement and is based on the actual amounts for claims already settled.

Amount expected to be paid by the Council

Represents the amount expected to be paid by the Council out of any awarded settlement amount and is based on the actual amounts for claims already settled. This figure has been increasing over the last few years as it is becoming more common for the other parties involved in a claim to be either in liquidation or bankrupt, or have limited funds and be unable to contribute to settlement.

Timing of claim payments

Represents the expected timing of claim payments based on the expected length of time it takes to settle claims. This assumption is based on experience and the actual timings for claims already settled.

Percentage of homeowners who will make a successful claim

Historical data collected on the number of claims lodged has enabled assumptions to be made on the percentage of homes built in the last 10 years that may experience weathertightness problems and therefore the percentage of homeowners who may make a successful claim.

The table below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

COUNCIL AND GROUP	2015	
	\$000	
	+10%	-10%
ASSUMPTION	EFFECT ON SURPLUS OR DEFICIT	
Amount claimed	4,120	(4,379)
Settlement level award	4,120	(4,379)
Council contribution to settlement	4,120	(4,379)
Timing of claim payments	-	-
Participation in FAP scheme	(1,639)	1,637
Change in percentage of homeowners who will make a successful claim	327	(329)

COUNCIL AND GROUP	2015	
	\$000	
	+2%	-2%
ASSUMPTION	EFFECT ON SURPLUS OR DEFICIT	
Discount rate	(1,489)	1,604

Funding of weathertight homes settlements

Weathertight homes settlements are funded initially through borrowings. To repay those borrowings, the Council has agreed to incrementally increase rates by 0.75% per annum until such time as the weathertight homes liability has been settled and the associated borrowings and funding costs are repaid. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

FUNDING FOR WEATHERTIGHT HOMES LIABILITY	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	(18,530)	(3,442)	(18,530)	(3,442)
Funding for weathertight homes liability	6,662	4,996	6,662	4,996
Total amounts paid	(10,173)	(19,470)	(10,173)	(19,470)
Interest allocation	(1,166)	(614)	(1,166)	(614)
CLOSING BALANCE FUNDED THROUGH BORROWINGS	(23,207)	(18,530)	(23,207)	(18,530)

NOTE 25: REVALUATION RESERVES

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Land - opening balance	144,254	144,302	144,254	144,302
Revaluation recognised in other comprehensive revenue and expense	10,837	-	10,837	-
Transfer between classes	-	(48)	-	(48)
Land - closing balance	155,091	144,254	155,091	144,254
Buildings - opening balance	231,167	240,462	231,167	240,462
Revaluation adjustment	331	(9,295)	331	(9,295)
Buildings - closing balance	231,498	231,167	231,498	231,167
Library collections - opening balance	7,015	7,147	7,015	7,147
Revaluation recognised in other comprehensive revenue and expense	-	(132)	-	(132)
Library collections - closing balance	7,015	7,015	7,015	7,015
Drainage, waste and water - opening balance	547,533	585,184	547,533	585,184
Revaluation recognised in other comprehensive revenue and expense	-	(37,651)	-	(37,651)
Drainage, waste and water - closing balance	547,533	547,533	547,533	547,533
Service concession assets - opening balance	70,619	58,353	70,619	58,353
Revaluation recognised in other comprehensive revenue and expense	-	12,266	-	12,266
Service concession assets - closing balance	70,619	70,619	70,619	70,619
Infrastructure land - opening balance	15,410	13,347	15,410	13,347
Revaluation recognised in other comprehensive revenue and expense	-	2,015	-	2,015
Transfer between classes	-	48	-	48
Infrastructure land - closing balance	15,410	15,410	15,410	15,410
Roading - opening balance	356,035	370,516	356,035	372,389
Revaluation recognised in other comprehensive revenue and expense	-	(14,481)	-	(16,354)
Roading - closing balance	356,035	356,035	356,035	356,035
Associates' revaluation reserves - opening balance	-	-	109,972	109,934
Revaluation recognised in other comprehensive revenue and expense	-	-	3,862	-
Effect of changed shareholding in associates	-	-	27	38
Associates' revaluation reserves - closing balance	-	-	113,861	109,972
TOTAL REVALUATION RESERVES - CLOSING BALANCE	1,383,201	1,372,033	1,497,062	1,482,005
These revaluation reserves are represented by:				
Opening balance	1,372,033	1,417,323	1,482,005	1,529,130
Revaluation recognised in other comprehensive revenue and expense	11,168	(45,290)	15,030	(47,163)
Effect of changed shareholding in associates	-	-	27	38
Transfer to retained earnings on disposal of assets	-	-	-	-
TOTAL REVALUATION RESERVES - CLOSING BALANCE	1,383,201	1,372,033	1,497,062	1,482,005

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. For the period ending 30 June 2015 Council revalued its operational land and buildings and investment properties.

Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

NOTE 26: HEDGING RESERVE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	(403)	(9,955)	(403)	(9,956)
Cash flow hedge net movement recognised in other comprehensive revenue and expenses	(17,059)	9,552	(17,059)	9,552
Cash flow hedge movement reclassified to share of equity accounted surplus of associate	-	-	-	1
HEDGING RESERVE - CLOSING BALANCE	(17,462)	(403)	(17,462)	(403)

The hedging reserve shows accumulated fair value changes for interest rate swaps that satisfy the criteria for hedge accounting and have operated as effective hedges during the period. The Council uses interest rate swaps to fix interest rates on floating rate debt (floating rate notes and commercial paper) to give it certainty over interest costs. Council uses hedge accounting to recognise any fair value fluctuations in these swaps through this reserve within equity. Using hedge accounting prevents any large movement in interest rate exposure significantly affecting the Council's ability to meet its balanced budget requirements.

NOTE 27: FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Opening balance	63	93	63	93
Movements:				
Civic Assurance	43	(30)	43	(30)
Creative HQ shareholdings - available for sale	-	-	399	-
FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE - CLOSING BALANCE	106	63	505	63

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Assurance, for which there is no intention to sell. See Note 14: Other financial assets - for further information.

In the Group, Creative HQ, a controlled entity of Grow Wellington, itself a controlled entity of WREDA, has small shareholdings in incubator and accelerator programme companies. These shareholdings are fair valued annually and any movement is held within this reserve until the shares are disposed.

NOTE 28: RESTRICTED FUNDS

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Special reserves and funds	14,271	17,553	17,025	20,240
Trusts and bequests - Council	412	407	412	407
Restricted funds - Opening balance	14,683	17,960	17,437	20,647
Additional funds	2,273	4,779	4,146	5,097
Funds utilised	(3,832)	(3,813)	(4,660)	(4,064)
Funds released to retained earnings	-	(4,243)	-	(4,243)
Total movements in restricted funds	(1,559)	(3,277)	(514)	(3,210)
Special reserves and funds	12,702	14,271	16,501	17,025
Trusts and bequests - Council	422	412	422	412
RESTRICTED FUNDS - CLOSING BALANCE	13,124	14,683	16,923	17,437

SPECIAL RESERVES AND FUNDS	CLOSING BALANCE 2014 \$000	ADDITIONAL FUNDS 2015 \$000	FUNDS UTILISED 2015 \$000	CLOSING BALANCE 2015 \$000
	Council			
Wellington economic initiatives development fund	4,375	627	(2,026)	2,976
Reserve purchase and development fund	287	712	-	999
Insurance reserve	9,609	750	(1,632)	8,727
	14,271	2,089	(3,658)	12,702
Group				
Controlled entities' restricted funds	2,754	1,873	(828)	3,799
COUNCIL AND GROUP	17,025	3,962	(4,486)	16,501

NATURE AND PURPOSE

Wellington Economic Initiatives Development (WEID) fund

This fund has been set up to be part of an integrated approach to fostering growth in the economy.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city but was not utilised during this year.

Insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the cost of claims that fall below deductible limits under Council's insurance policies. Annual additions to the reserve of \$0.750m (2014: \$0.750m) are funded through rates as identified in the Annual Plan.

Controlled entities' restricted funds

The restricted funds of the controlled entities relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has three reserves:
 - a capital reserve, a Colonial Cottage Museum Collection reserve and a City and Sea Collection reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has a number of trust and bequests made, which are held as restricted funds until utilised.

TRUST AND BEQUESTS - COUNCIL	CLOSING	ADDITIONAL	FUNDS	CLOSING
	BALANCE	FUNDS	UTILISED	BALANCE
	2014	2015	2015	2015
	\$000	\$000	\$000	\$000
A Graham Trust	3	-	-	3
A W Newton Bequest	301	17	-	318
Charles Plimmer Bequest	-	165	(165)	-
E A McMillan Estate	6	-	-	6
E Pengelly Bequest	13	-	-	13
F L Irvine Smith Memorial	7	-	-	7
Greek NZ Memorial Association	5	-	-	5
Kidsarus 2 Donation	3	-	-	3
Kirkcaldie and Stains Donation	17	-	-	17
QEII Memorial Book Fund	18	1	-	19
Schola Cantorum Trust	6	1	-	7
Stanley Banks Trust	9	-	(9)	-
Terawhiti Grant	10	-	-	10
Wellington Beautifying Society Bequest	14	-	-	14
TOTAL TRUSTS AND BEQUESTS	412	184	(174)	422

Analysis of movements in trusts and bequests

Additional funds

Trusts and bequests receiving additional funds during the year were those where interest has been applied in accordance with the original terms and conditions.

Charles Plimmer - distributions through the Public Trust recognised as revenue - \$165,000

Funds utilised

Trusts and bequests funds utilised during the year were:

- Charles Plimmer - Botanic Gardens Children's garden - \$165,000
- Stanley Banks - educational grants to children of WWII service personnel - \$9,000

Nature and purpose

Other than those specific trusts and bequests discussed above, the others are generally provided for library, educational or environmental purposes.

NOTE 29: FINANCIAL INSTRUMENTS

The following tables provide an analysis of the Council's financial assets and financial liabilities by reporting category as described in the summary of accounting policies:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2014 \$000	2014 \$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	65,913	52,573	75,598	56,853
Receivables from exchange transactions	5,569	5,663	6,450	6,675
Recoverables from non-exchange transactions	34,445	31,795	36,006	33,060
Other financial assets	9,553	27,376	11,001	30,249
Total loans and receivables	115,480	117,407	129,055	126,837
Financial assets at fair value through other comprehensive revenue and expense				
Other financial assets	2,499	2,473	3,900	2,473
Total financial assets at fair value through other comprehensive revenue and expense	2,499	2,473	3,900	2,473
Hedged derivative financial instruments				
Derivatives designated as cash flow hedges	725	4,428	725	4,428
Total hedged derivative financial instruments	725	4,428	725	4,428
Total financial assets	118,704	124,308	133,680	133,738
Total non-financial assets	6,855,979	6,783,498	6,981,621	6,904,987
TOTAL ASSETS	6,974,683	6,907,806	7,115,301	7,038,725
Financial liabilities				
Financial liabilities at amortised cost				
Payables under exchange transactions	46,059	46,098	50,552	48,417
Taxes and transfers payable	12,635	12,241	12,817	12,606
Borrowings	433,728	419,118	433,731	419,125
Total financial liabilities at amortised cost	492,422	477,457	497,100	480,148
Derivative financial instruments				
Derivatives designated as cash flow hedges	18,187	4,831	18,187	4,831
Total derivative financial instruments	18,187	4,831	18,187	4,831
Financial liabilities at fair value through surplus/deficit				
Derivative financial instruments - non-hedged	-	137	-	137
Total financial liabilities at fair value through surplus/deficit	-	137	-	137
Total financial liabilities	510,609	482,425	515,287	485,116
Total non-financial liabilities	93,742	84,743	99,702	88,434
TOTAL LIABILITIES	604,351	567,168	614,989	573,550

Fair value

The fair values of all financial instruments equate or are approximate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

- **Level 1** - Quoted market price - financial instruments with quoted prices for identical instruments in active markets.
- **Level 2** - Valuation technique using observable inputs - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3** - Valuation techniques with significant non-observable inputs - financial instruments valued using models where one or more significant inputs are not observable.

COUNCIL AND GROUP	2015			2014		
	LEVEL 1 \$000	LEVEL 2 \$000	LEVEL 3 \$000	LEVEL 1 \$000	LEVEL 2 \$000	LEVEL 3 \$000
Financial assets						
Financial assets at fair value through other comprehensive revenue and expense	-	-	3,900	-	-	2,473
Derivative financial instruments						
- Fair value hedges	-	-	-	-	-	-
- Cash flow hedges	-	725	-	-	4,428	-
Financial liabilities						
Derivative financial instruments						
- Cash flow hedges	-	18,187	-	-	4,831	-
- non-hedged swaps	-	-	-	-	137	-

RECONCILIATION OF FAIR VALUE MOVEMENTS IN LEVEL 3	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Financial assets at fair value through other comprehensive revenue and expense				
- Equity investments				
Opening balance - 1 July	2,473	2,503	2,473	2,503
Opening balance from acquisition	-	-	1,008	-
Purchases	-	-	-	-
Disposals	(17)	-	(23)	-
Gains or losses recognised in other comprehensive revenue and expense	43	(30)	442	(30)
CLOSING BALANCE - 30 JUNE	2,499	2,473	3,900	2,473

The level 3 equity investments comprise the Council's shareholdings in the Local Government Funding Agency \$1.866m (2014: \$1.883m) and Civic Assurance \$0.633m (2014:\$0.590m). Refer to Note 14: Other financial assets for more details.

Financial risk management

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer Note 32: Contingencies). There is currently no liability recognised for these guarantees as the Group does not expect to be called upon for payment.

The Group's maximum exposure to credit risk at the end of the reporting period is:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Financial instruments with credit risk				
Cash and cash equivalents	65,892	52,532	75,564	56,797
Derivative financial instrument assets	725	4,428	725	4,428
Receivables and recoverables				
- Receivables	5,569	5,663	6,450	6,675
- Recoverables	34,445	31,795	36,006	33,060
Other financial assets				
- Bank deposits - term	-	20,000	-	20,400
- LGFA borrower notes	2,208	1,328	2,208	1,328
- Loans to related parties - other organisations	4,696	5,898	4,668	5,898
- Loans to external organisations	150	150	225	150
Financial guarantees to related parties	500	600	500	600
TOTAL FINANCIAL INSTRUMENTS WITH CREDIT RISK	114,185	122,394	126,346	129,336

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Council is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in Note 32: Contingencies.

Credit quality of financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard and Poor's credit ratings.

COUNTERPARTIES WITH CREDIT RATINGS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Cash - registered banks				
AA-	1,392	4,434	7,622	5,600
Short term deposits - registered banks				
AA-	61,500	48,098	64,942	51,197
A+	3,000	-	3,000	-
Term deposits (greater than 3 months) - registered banks				
AA-	-	10,000	-	10,400
A+	-	10,000	-	10,000
Term deposits - borrower notes - NZ LGFA				
AA+	2,208	1,328	2,208	1,328
Derivative financial instrument assets				
AA-	725	4,428	725	4,428

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group is able to access required funds.

Contractual maturity

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	236,052	200,845	240,730	203,534
1-2 years	49,642	104,395	49,642	104,398
2-5 years	128,050	139,265	128,050	139,265
More than 5 years	136,273	95,146	136,273	95,146
TOTAL CONTRACTUAL CASH FLOWS OF FINANCIAL LIABILITIES EXCLUDING DERIVATIVES	550,017	539,651	554,695	542,343
Represented by:				
Carrying amount as per the Statement of Financial Position	492,422	477,386	497,100	480,077
Future interest payable	57,595	62,265	57,595	62,266
TOTAL CONTRACTUAL CASH FLOWS OF FINANCIAL LIABILITIES EXCLUDING DERIVATIVES	550,017	539,651	554,695	542,343

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Contractual cash flows of derivative financial liabilities				
0-12 months	5,482	3,478	5,482	3,478
1-2 years	5,651	1,464	5,651	1,464
2-5 years	8,186	1,289	8,186	1,289
More than 5 years	753	(252)	753	(252)
TOTAL CONTRACTUAL CASH FLOWS OF DERIVATIVE FINANCIAL LIABILITIES	20,072	5,979	20,072	5,979
Represented by:				
Future interest payable	20,072	5,979	20,072	5,979
TOTAL CONTRACTUAL CASH FLOWS OF DERIVATIVE FINANCIAL LIABILITIES	20,072	5,979	20,072	5,979

In addition to cash to be received in 2015/16 the Council currently has \$118m in unused committed bank facilities available to settle obligations as well as \$104.441m of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its obligations when they fall due. Information about this exposure is explained in Note 32: Contingencies.

The Council mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits:

PERIOD	MINIMUM	MAXIMUM	ACTUAL
0 - 3 years	20%	60%	36%
3 - 5 years	20%	60%	30%
More than 5 years	15%	60%	34%

Market risk

Market risk is the risk that the value of an investment will decrease or a liability will increase due to changes in market conditions. The Group uses interest rate swaps in the ordinary course of business to manage interest rate risks. A Treasury committee, headed by senior management personnel and the Council's treasury management advisors (presently PWC), provides oversight for financial risk management and derivative activities and ensures any activities are in line with the Liability Management Policy which is formally approved by the Council as part of the Long-Term Plan (LTP).

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will decrease due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing financial liabilities. The Group is risk-averse and seeks to minimise exposure arising from its borrowing activities primarily by entering into interest rate swap arrangements to fix interest rates on its borrowings.

The Group manages its cash flow interest rate risk by using interest rate swaps. These have the economic effect of converting borrowings from floating rates to fixed rates. The Council uses interest rate swaps to maintain a required ratio of borrowing between fixed and floating interest rates as specified in the liability management policy:

MINIMUM FIXED RATE	MAXIMUM FIXED RATE	ACTUAL % OF FIXED DEBT BEFORE INTEREST RATE SWAPS	ACTUAL % OF FIXED DEBT AFTER INTEREST RATE SWAPS
50%	95%	7%	93%

The table below shows the effect of the interest rate swaps at reducing the Council's exposure to interest rate risk:

	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	65,913	52,573	75,598	56,853
Bank deposits - term greater than 3 months	-	20,000	-	20,400
Bank facilities - short term	(2,000)	-	(2,000)	-
Bank loans	(3,074)	(3,125)	(3,074)	(3,125)
Commercial paper	(72,000)	(100,000)	(72,000)	(100,000)
Debt securities - floating rate notes	(331,500)	(295,500)	(331,500)	(295,500)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(342,661)	(326,052)	(332,976)	(321,372)
Effect of interest rate swaps in reducing interest rate volatility				
Effect of Cash flow interest rate swaps - hedged	357,500	303,500	357,500	303,500
Effect of Cash flow interest rate swaps - non-hedged	-	7,500	-	7,500
Total effect of interest rate swaps in reducing interest rate volatility	357,500	311,000	357,500	311,000
TOTAL FINANCIAL INSTRUMENTS SUBJECT TO INTEREST RATE VOLATILITY - AFTER EFFECT OF INTEREST RATE SWAPS	14,839	(15,052)	24,524	(10,372)

These interest rate swaps have a nominal value that represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements; instead the fair value of these interest rate swaps is recognised. This represents the difference between the current floating interest rate and the fixed swap interest rate. At 30 June 2015 the fair value of the interest rate swaps was -\$17.462m (2014: -\$0.540m). This liability will reduce to zero as the swaps reach the end of their lives, and therefore do not represent a liability that the Council will be required to pay cash to settle.

Given that the interest rate swaps have terms that match with the borrowings (short term bank facilities, commercial paper and debt securities), it is appropriate to include the effect of the interest rate swaps on the borrowings interest rate and present the net effective interest rates for the underlying borrowings:

WEIGHTED EFFECTIVE INTEREST RATES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Investments				
Cash and cash equivalents	3.76	3.79	3.47	3.71
Short term deposits > 3 months	-	4.29	-	4.29
LGFA - borrower notes	3.96	4.11	3.96	4.11
Loans to related parties	-	-	-	-
Loans to external organisations	-	-	-	-
Borrowings				
Bank facilities - short term	4.63	-	4.63	-
Bank loans	7.00	7.00	7.00	7.00
Commercial paper	3.65	3.46	3.65	3.46
Debt securities - fixed	4.93	5.14	4.93	5.14
Debt securities - floating	4.22	4.17	4.22	4.17
Derivative financial instruments - hedged	4.76	5.04	4.76	5.04
Derivative financial instruments - non-hedged	-	4.84	-	4.84
Finance leases	10.22	10.20	10.24	10.21

Loans to related parties, being the loans to the Wellington Regional Stadium Trust and to the Karori Wildlife Sanctuary Trust, are both on interest free terms.

Sensitivity analysis

While the Council has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

The tables below illustrate the potential surplus and deficit impact of a 1% change in interest rates based on the Council's and the Group's exposures at the end of the reporting period:

INTEREST RATE RISK	NOTE	COUNCIL			
		2015 \$000			
		+1%	-1%	+1%	-1%
		EFFECT ON SURPLUS OR DEFICIT	EFFECT ON OTHER COMPREHENSIVE REVENUE AND EXPENSE		
Financial assets					
Cash and cash equivalents	a	659	(659)	-	-
LGFA - borrower notes		22	(22)	-	-
Derivatives - Interest rate swaps - hedged	b	-	-	2,579	(2,939)
Financial liabilities					
Derivatives - interest rate swaps - hedged	b	-	-	16,298	(17,282)
Debt securities - floating rate notes	c	(310)	310	-	-
Debt securities - fixed rate bonds	d	-	-	-	-
Bank term loans	e	-	-	-	-
Commercial paper	f	-	-	-	-
Total sensitivity to interest rate risk		371	(371)	18,877	(20,221)

a. Cash and cash equivalents

Council funds are in a number of different registered bank accounts with interest payable on the aggregation of all accounts. A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$0.659m.

b. Derivatives - hedged interest rate swaps

Derivatives include interest rate swaps with a fair value totalling -\$17.462m. A movement in interest rates of plus 1% has an effect on increasing the unrealised value of the hedged interest rate swaps by \$18.877m. A movement in interest rates of minus 1% has an effect on reducing the unrealised value of the hedged interest rate swaps by \$20.221m.

c. Debt securities - floating rate notes

Debt securities at floating rates total \$331.500m. The full exposure to changes in interest rates has been reduced because the Council has \$300.500m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.310m.

d. Debt securities - fixed rate bonds

The Council has \$25m of fixed rate bonds which are not exposed to interest rate changes.

e. Bank loan

The Council, through its joint venture with Porirua City Council has a bank term loan of \$3.074m. This loan consists of various loans provided to the joint venture through Porirua City Council borrowing. The interest rate applied is fixed at 7% for the joint venture partners and is not subject to interest rate risk.

f. Commercial paper

The Council also has a Commercial Paper programme which is subject to floating rates and totals \$72m. The exposure to changes in interest rates has been removed because the Council has all of the debt effectively at fixed rates through interest rate swaps.

Equity management

The Group's equity includes accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds which comprise special funds, reserve funds and trusts and bequests.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

NOTE 30: MAJOR BUDGET VARIATIONS

Statement of Comprehensive Revenue and Expense

Significant variations from budgeted revenues and expenses are as follows:

Revenues were \$19.7m higher than budgeted primarily due to unbudgeted other revenues of \$14.6m (including vested assets of \$12.4m), higher finance revenues of \$2.9m, higher investment revenues of \$4.0m (including increased dividends of \$2.0m) and an investment property revaluation increase of \$8.6m. These were offset by lower than expected grant revenue of (\$10.3m), largely due to Housing Upgrade grant funding not being recognised yet.

Expenses were \$10.5m higher than budgeted primarily due to asset impairments of \$5.1m, fair value movements of \$1.8m, the reassessment of the weathertight homes provision (\$1.0m), insurance costs (net of recoveries) funded through the insurance reserve of \$1.6m and other increases in operating activity expenses of \$4.2m. These were offset by lower depreciation of (\$3.2m).

Statement of Changes in Equity

Significant variations from budgeted changes in equity are as follows:

Due to the effect of lower than expected revaluations of infrastructure assets in 2013/14 - (\$221m), opening equity was below budget (\$314m) due to the timing of the budget preparation being before the revaluation results were known.

During the year, lower than expected revaluations of land and building assets (\$45.9m) and a downward movement in the hedging reserve (\$17.1m) contributed to an overall lower than expected change in the equity position (\$53.8m).

Statement of Financial Position

Significant variations from budget are as follows.

Current assets are \$62.8m higher than budget primarily due to the unbudgeted holding of additional cash and cash equivalents resulting from the prefunding of debt replacement and the timing of investment maturities to meet cash flow requirements.

Non-current assets are \$379.4m lower than budget primarily due to the lower revaluations in the 2013/14 year

Total liabilities are \$49.3m higher than budget due to; unrecognised housing grant revenue of \$14.5m, increased borrowings of \$21m (including prefunded debt replacement) and higher derivative movements of \$5.1m.

Statement of Cash Flows

Significant variations from budget are as follows:

Net cash flows from operating activities were \$6.3m higher than budgeted primarily due to increased revenue from operating activities by \$4.4m, offset by higher grants revenue recognised of \$4.8m and lower Council rates received (\$2.8m).

Net cash flows from investing activities were \$41.7m lower than budget primarily due to higher dividends and interest received of \$4.9m, a decrease in bank investments of \$20m and lower purchases of property, plant and equipment assets of \$18.4m.

NOTE 31: COMMITMENTS

CAPITAL COMMITMENTS	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Approved and contracted - property, plant and equipment	35,368	38,375	35,369	46,475
Approved and contracted - investment properties	3	19	3	19
Approved and contracted - intangibles	1,891	-	1,891	-
Approved and contracted - share of associates	-	-	12,194	1,030
Approved and contracted - share of joint ventures	-	-	-	-
TOTAL CAPITAL COMMITMENTS	37,262	38,394	49,457	47,524

The capital commitments above often span more than one financial year and includes the budgeted capital expenditure carried forward as detailed below.

BUDGETED CAPITAL EXPENDITURE - CARRIED FORWARD - COUNCIL	FROM	FROM	FROM
	2014 TO 2015 \$000	2015 TO 2016 \$000	2015 TO 2017 \$000
Strategic area			
Governance	-	-	-
Environment	2,796	2,048	-
Economic development	480	203	-
Cultural wellbeing	-	48	-
Social and recreation	3,802	2,235	-
Urban development	3,519	3,950	-
Transport	1,503	1,880	-
Total by strategic areas	12,100	10,364	-
Council	2,826	2,729	2,570
TOTAL BUDGETED CAPITAL EXPENDITURE CARRIED FORWARD	14,926	13,093	2,570

Operating leases - Group as lessee

The Group leases certain items of plant, equipment, land and buildings under various non-cancellable operating lease agreements.

The lease terms are between 2 and 21 years and the majority of the lease agreements are generally renewable at the end of the lease period at market rates.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 7: Expenditure on operating activities.

The future expenditure committed by these leases is analysed as follows:

NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Plant and equipment				
Not later than one year	30	29	92	125
Later than one year and not later than five years	19	13	93	113
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	821	973	1,332	1,335
Later than one year and not later than five years	1,977	1,625	2,477	1,975
Later than five years	1,317	1,100	1,317	1,100
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	4,164	3,740	5,311	4,648

Operating leases - Group as lessor

The Group has also entered into commercial property leases of its investment property portfolio and other land and buildings.

The land and buildings held for investment purposes are properties that are not held for operational purposes and are leased to external parties.

Ground leases are parcels of land owned by the Group in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The land and buildings not held for investment purposes are either used to accommodate the Group's operational activities or are held for purposes such as road widening, heritage, or are being monitored for compliance reasons. In some cases, parts of these assets are leased to external parties on a commercial basis. The terms of these commercial leases generally range from 1 to 15 years.

The committed revenues expected from these lease portfolios are analysed as follows:

NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Investment properties				
Not later than one year	9,231	9,332	9,231	9,332
Later than one year and not later than five years	35,194	36,220	35,194	36,220
Later than five years	74,438	81,846	74,438	81,846
Land and buildings				
Not later than one year	3,687	1,434	4,335	1,512
Later than one year and not later than five years	8,702	2,771	9,398	2,771
Later than five years	12,849	7,557	12,849	7,557
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	144,101	139,160	145,445	139,238

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

The Council has commitments to its controlled entities and associates only to the extent of the expenditure approved in the Long-term Plan for the period ending 30 June 2016. Other expenditure approved as part of the Long-term Plan for the period from 1 July 2016 to 30 June 2025 is subject to change and approval each year through the Annual Plan.

The commitments are as follows:

COUNCIL	2016 LTP \$000	2017-2025 LTP \$000	TOTAL LTP \$000
Controlled entities			
Wellington Cable Car Limited	-	2,500	2,500
Wellington Museums Trust (including Carter Observatory)	8,313	83,922	92,235
Wellington Regional Economic Development Agency	12,128	111,103	123,231
Wellington Zoo Trust	2,814	29,190	32,004
Total controlled entities commitments	23,255	226,715	249,970
Other related parties			
Basin Reserve Trust	618	6,407	7,025
Karori Wildlife Sanctuary Trust (Zealandia)	875	7,875	8,750
Wellington Regional Stadium Trust	-	5,000	5,000
Total other related party commitments	1,493	19,282	20,775
TOTAL RELATED PARTY COMMITMENTS	24,748	245,997	270,745

NOTE 32: CONTINGENCIES

CONTINGENT LIABILITIES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Financial guarantees to community groups	500	600	500	600
Uncalled capital - LGFA	1,866	1,866	1,866	1,866
Other legal proceedings	202	2,237	202	2,237
Share of associates' contingent liabilities	-	-	-	-
Share of joint ventures' contingent liabilities	-	-	-	-
TOTAL CONTINGENT LIABILITIES	2,568	4,703	2,568	4,703

The financial guarantees to community groups above are analysed below:

OUTSTANDING DEBT SUBJECT TO COUNCIL GUARANTEES	COUNCIL		GROUP	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Karori Wildlife Sanctuary Trust	500	600	500	600
TOTAL OUTSTANDING DEBT SUBJECT TO COUNCIL GUARANTEES	500	600	500	600

Karori Wildlife Sanctuary Trust (Zealandia)

The Council has provided a guarantee over a term loan facility to a maximum limit of \$1.550m plus any outstanding interest and enforcement costs. The loan matures 30 June 2020 and repayments are being met on schedule.

NZ Local Government Funding Agency Limited (LGFA)

The Council is one of 30 local authority shareholders and 8 local authority guarantors of the LGFA. In that regard the Council has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2015, LGFA had borrowings totalling \$4,955m (2014: \$3,778m).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that we are not aware of any local authority, which is a member of the LGFA, that has had debt default events in New Zealand; and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required. The Council considers that even if it was called upon to contribute the cost would not be material.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events that are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to the Council is anticipated to be less than \$0.202m.

Unquantified contingent liabilities

The Government's Weathertight Homes Financial Assistance Package aims to help people get their non-weathertight homes fixed faster, and centres on the Government and local authorities each contributing 25% of agreed repair costs and affected homeowners funding the remaining 50% backed by a Government loan guarantee. A provision for known claims and future claims has been made (refer Note 24: Provisions for other liabilities). The impact and cost of future and unknown claims cannot be measured reliably and therefore the Council and Group have an unquantified contingent liability.

On 11 October 2012 the Supreme Court of New Zealand released a decision clarifying that councils owe a duty of care when approving plans and inspecting construction of a building that was not purely a residential building. The Court held that there was no principled basis for distinguishing between the liability of those who played a role in the construction of residential buildings as against the construction of non-residential buildings. This extends the scope of the potential liability for the Council to include non-residential buildings consented under the Building Act 1991.

Through the process of working with our actuaries, it has been identified that due to a lack of historical and current information relating to non-residential building claims, a reliable estimate of any potential liability cannot be quantified at this time.

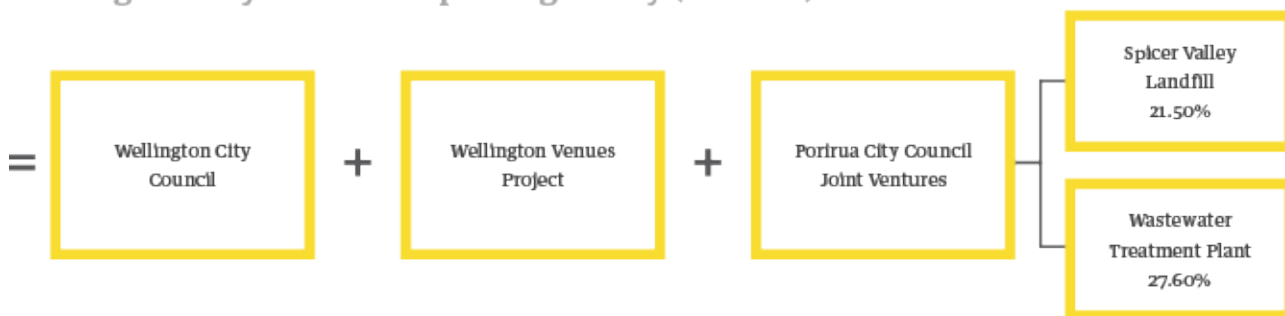
There are various other claims that the Council and Group are currently contesting that have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

Contingent assets

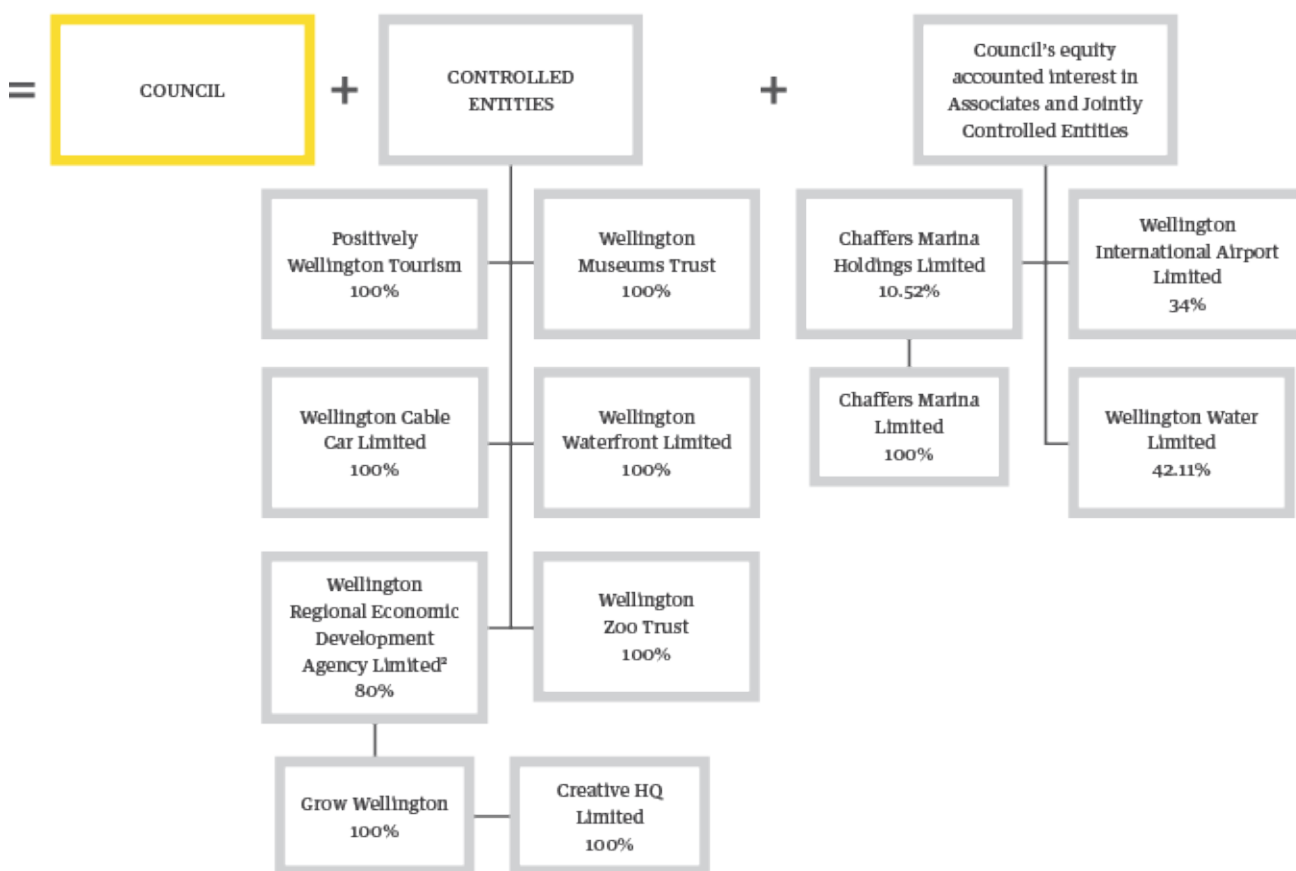
The Council and Group have no contingent assets as at 30 June 2015 (2014: \$Nil).

NOTE 33: COUNCIL AND GROUP STRUCTURE

Wellington City Council Reporting Entity (Council)



Wellington City Council Group Reporting Entity (Group)



The Council has established several Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's) to help it achieve its goals for Wellington. These organisations were set up to independently manage Council facilities, or deliver specific services and developments on behalf of Wellington residents. A report on these organisations is found on page 240-249. Council has made appointments to other organisations, which make them Council Organisations (as defined in the Local Government Act 2002) but they are not Council controlled or part of the Group.

The percentages above represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group.

1. The legal name of Positively Wellington Tourism is Partnership Wellington Trust. The operations of the Trust have been transferred to Wellington Regional Economic Development Agency Limited with effect from 1 January 2015. The winding up of the Trust has not been completed as at 30 June 2015.
2. Wellington Regional Economic Development Agency Limited (WREDA) is a combination of the previously held activities of the Wellington Venues Limited and Positively Wellington Tourism entities. WREDA has also acquired 100% ownership of Grow Wellington Limited and indirectly Creative HQ Limited from Greater Wellington Regional Council for consideration of 20% of WREDA.

NOTE 34: JOINTLY CONTROLLED ASSETS

The Council has significant interests in the following joint ventures:

JOINT VENTURE	INTEREST 2015	INTEREST 2014	NATURE OF BUSINESS
Wastewater treatment plant – Porirua City Council	27.60%	27.60%	Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs.
Spicer Valley Landfill – Porirua City Council	21.50%	21.50%	Owns and operates a sanitary landfill that provides services to Wellington City's northern suburbs.

The end of the reporting period for the joint ventures is 30 June. Included in the financial statements are the following items that represent the Council's and Group's interest in the assets and liabilities of the joint ventures.

SHARE OF NET ASSETS - PORIRUA CITY COUNCIL JOINT VENTURE (PCCJV)	2015 \$000	2014 \$000
ASSETS		
Current		
Inventory	59	36
Receivables and recoverables	1,657	1,126
Non-current		
Property, plant and equipment	20,680	21,012
Share of total assets	22,396	22,174
LIABILITIES		
Non-current		
Borrowings	3,074	3,125
Provisions for other liabilities	1,595	1,661
Share of total liabilities	4,669	4,786
SHARE OF NET ASSETS	17,727	17,388

The Council's and Group's share of the joint ventures' current year net surplus and revaluation movements (after elimination) included in the financial statements are shown below.

SHARE OF NET SURPLUS AND REVALUATION MOVEMENTS - PCCJV	2015 \$000	2014 \$000
Operating revenue	3,014	2,679
Operating expenditure	(2,699)	(2,660)
SHARE OF NET SURPLUS OR (DEFICIT)	315	19
SHARE OF CURRENT YEAR REVALUATION MOVEMENT	24	2,044

The Council's and Group's share of the joint ventures' capital commitments is \$Nil (2014: \$Nil) and contingent liabilities is \$Nil (2014: \$Nil).

NOTE 35: INVESTMENTS IN CONTROLLED ENTITIES

The following entities are Council-controlled entities:

CONTROLLED ENTITIES	INTEREST 2015	INTEREST 2014	NATURE OF BUSINESS
Positively Wellington Tourism (Partnership Wellington Trust Inc.)	100%	100%	The operations have been transferred to WREDA - (see below) while the Trust is being wound up.
Wellington Waterfront Limited	100%	100%	Acts as bare trustee for the Waterfront project.
Wellington Cable Car Limited	100%	100%	Owns and manages the trolley bus overhead wiring system and the Cable Car.
Wellington Museums Trust	100%	100%	Administers the Cable Car Museum, Capital E, the City Gallery, the Colonial Cottage Museum, the Carter Observatory and the Museum of Wellington City and Sea.
Wellington Regional Economic Development Agency Limited (WREDA)	80%	100%	Manages the Wellington Venues Project and creates economic and social benefit by marketing the city with the private sector as a tourism destination.
- Grow Wellington Limited	80%	0%	The economic development agency working to accelerate economic growth in the Wellington region and make it more internationally competitive.
- Creative HQ Limited	80%	0%	Business incubators.
Wellington Zoo Trust	100%	100%	Manages and guides the future direction of the Wellington Zoo.

The reporting period end date for all controlled entities is 30 June. Full copies of their financial statements can be obtained directly from their offices. Further information on the structure, objectives, the nature and scope of activities, and the performance measures and targets of the entities can be found in the Report on Council Controlled Organisations (page 240-249).

The cost of the Council's investment in controlled entities is reflected in the Council's financial statements as follows:

INVESTMENT IN CONTROLLED ENTITIES	2015 \$000	2014 \$000
Wellington Cable Car Limited	3,809	3,809
Wellington Regional Economic Development Agency Limited (WREDA)	1,262	-
TOTAL INVESTMENT IN CONTROLLED ENTITIES	5,071	3,809

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to controlled entities. The Council has only made equity investments as noted in the table above. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality.

Information on inter-company transactions is included in the Note 37: Related party disclosures.

NOTE 36: INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

The Council has a significant interest in the following associates:

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	INTEREST 2015	INTEREST 2014	NATURE OF BUSINESS
Basin Reserve Trust	0%	50%	Manages, operates and maintains the Basin Reserve.
Chaffers Marina Holdings Limited	10.52%	10.99%	Holding company for Chaffers Marina Limited.
- Chaffers Marina Limited	100%	100%	Owns and manages the marina.
Wellington International Airport Limited	34%	34%	Owns and manages Wellington International Airport facilities and services.
Wellington Regional Stadium Trust	0%	50%	Owns and manages the Westpac Stadium.
Wellington Water Limited (Previously Capacity Infrastructure Services Limited)	42.11%	50%	Manages all water services for Wellington, Lower Hutt, Upper Hutt and Porirua City Councils and Greater Wellington Regional Council.

Full copies of the separately prepared financial statements can be obtained directly from their respective offices.

ASSOCIATES

Chaffers Marina

Chaffers Marina Holdings Limited and Chaffers Marina Limited have a reporting period end date of 30 June. The shares in Chaffers Marina Holdings Limited are held by Wellington Waterfront Limited in a fiduciary capacity. As at 30 June 2015 Council held a 10.52% interest in Chaffers Marina Holdings Limited (2014:10.99%), which has been reflected in the Group financial statements on an equity accounting basis reflecting the special rights (as set out in Chaffers Marina Limited's Constitution), which attach to the golden share that it holds in Chaffers Marina Limited.

Wellington International Airport Limited

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to Council, which is legislatively required to use 30 June. The Council owns 34% of the company, with the remaining 66% owned by NZ Airports Limited (which is wholly owned by Infratil Limited).

Basin Reserve Trust

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI). The Council and CWI each appoint two of the four trustees. The Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust.

Under previously applicable accounting standards, the Trust was consolidated on an equity accounted basis. On transition to PBE standards, the Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on this basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements.

Wellington Regional Stadium Trust

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust.

Under previously applicable accounting standards the Trust was consolidated on an equity accounted basis. On transition to PBE standards, the Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on this basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements. The financial comparatives for 2014 have been adjusted accordingly and the effect is shown in Note 40: Adjustments to comparative year financial statements.

The Trust's own reported high-level 2015 financials are: Assets \$96.950m; Liabilities \$57.489m; Revenues \$17.298m and Net Surplus \$2.093m.

JOINTLY CONTROLLED ENTITIES

Wellington Water Limited

Formerly trading as Capacity (Capacity Infrastructure Services Limited) and jointly created with Hutt City Council on 9 July 2003 the company has expanded its operations and ownership to include Upper Hutt and Porirua City councils from 1 November 2013 and Greater Wellington Regional Council from 16 September 2014. The company has a reporting period ending 30 June and has a dual share structure comprising Class A shares (voting rights) and Class B shares (financial entitlements). The new structure is as follows:

COUNCIL	CLASS A SHARES (VOTING RIGHTS)	CLASS B SHARES (FINANCIAL ENTITLEMENTS)	OWNERSHIP INTEREST
Wellington City	150	200	42%
Hutt City	150	100	21%
Upper Hutt City	150	40	8%
Porirua City	150	60	13%
Greater Wellington Regional	150	75	16%
TOTAL SHARES ON ISSUE	750	475	100%

The Class A shares represent voting rights and are split evenly between the five councils. The Class B shares confer the level of contributions and ownership benefits of each council. Under NZ IFRS (PBE) this company was classed as an associate. Under PBE standards, Council has re-classified this entity as jointly controlled because of the equal sharing of voting rights conferred through the Class A shares and the shareholder's agreement, which constitutes a binding arrangement. Wellington City Council, in accordance with PBE IPSAS 8 Joint Ventures, chooses to use equity accounting to recognise its ownership interest as determined by the proportionate value of Class B shares held. Wellington City Council's ownership interest in the company is 42.11%.

Summary of Financial Position and Performance of Associates

The Council's share of the assets, liabilities, revenues and surpluses or deficits of the associates is as follows:

	ASSETS 2015 \$000	LIABILITIES 2015 \$000	REVENUES 2015 \$000	SURPLUS/(DEFICIT) 2015 \$000
Associates				
Chaffers Marina Holdings Limited	626	135	77	4
Wellington International Airport Limited	286,111	137,154	36,825	11,188
Jointly controlled entities				
Wellington Water Limited	3,898	3,130	10,943	420

ASSOCIATES	ASSETS 2014 \$000	LIABILITIES 2014 \$000	REVENUES 2014 \$000	SURPLUS/(DEFICIT) 2014 \$000
Associates				
Chaffers Marina Holdings Limited	668	138	95	(15)
Wellington International Airport Limited	286,391	136,678	37,703	15,192
Jointly controlled entities				
Wellington Water Limited	1,835	1,499	6,641	18

Investment in Associates and Jointly Controlled Assets

The cost of the Council's investment in associates and jointly controlled entities is reflected in the Council financial statements as follows:

INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	COUNCIL	
	2015 \$000	2014 \$000
Chaffers Marina Holdings Limited	1,290	1,329
Wellington International Airport Limited	17,775	17,775
Wellington Water Limited	400	400
TOTAL INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	19,465	19,504

The investment in associates and jointly controlled entities in the Group financial statements represents the Council's share of the net assets of the associates and jointly controlled entities. This is reflected in the Group financial statements as follows:

INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	GROUP	
	2015 \$000	2014 \$000
Chaffers Marina Holdings Limited		
Opening balance	959	998
Change in shares during the year	(39)	(39)
Change in equity due to changed shareholding	15	15
Equity accounted earnings of associate	4	(15)
Closing balance - investment in Chaffers Marina Holdings Limited	939	959
Wellington International Airport Limited		
Opening balance	133,860	130,633
Dividends	(12,950)	(11,966)
Equity accounted earnings of associate	11,188	15,192
Share of net revaluation of property, plant and equipment - movement	3,862	-
Share of hedging reserve - movement	-	1
Closing balance - investment in Wellington International Airport Limited	135,960	133,860
Wellington Water Limited		
Opening balance	336	271
Change in shares during the year	-	24
Change in equity due to changed shareholding	12	23
Equity accounted earnings of jointly controlled entity	420	18
Closing balance - investment in Wellington Water Limited	768	336
TOTAL INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	137,666	135,154

The Council's share of the results of Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is as follows:

SHARE OF ASSOCIATES' AND JOINTLY CONTROLLED ENTITIES SURPLUS/(DEFICIT)	GROUP	
	2015 \$000	2014 \$000
Chaffers Marina Holdings Limited		
Share of net surplus/(deficit) before tax	4	(15)
Tax (expense)/credit	-	-
Share of associate's surplus/(deficit) - Chaffers Marina Holdings Limited	4	(15)
Wellington International Airport Limited		
Share of net surplus before tax	10,764	16,088
Tax (expense)/credit	424	(896)
Share of associate's surplus/(deficit) - Wellington International Airport Limited	11,188	15,192
Wellington Water Limited		
Share of net surplus/(deficit) before tax	420	18
Tax (expense)/credit	-	-
Share of jointly controlled entities surplus/(deficit) - Wellington Water Limited	420	18
TOTAL SHARE OF ASSOCIATES' AND JOINTLY CONTROLLED ENTITIES SURPLUS/(DEFICIT)	11,612	15,195

NOTE 37: RELATED PARTY DISCLOSURES

Identity of related parties

In this section, the Council discloses the remuneration and related party transactions of key management personnel, which comprises the members of the governing body (the Mayor and Councillors), the Chief Executive and all members of the Council's Executive Leadership Team. All members of the Group are also considered to be related parties of Wellington City Council, including its joint ventures, controlled entities and associates. The remuneration payable to key management personnel of the Group's other entities is disclosed separately within their individual financial statements and is not included in the following table.

KEY MANAGEMENT PERSONNEL	COUNCIL	
	2015 \$	2014 \$
Council Members		
Short-term employee benefits	1,434,782	1,385,983
Chief Executive and Executive Leadership Team		
Short-term employee benefits	2,362,735	2,480,499
Post employment benefits	55,359	52,576
Termination benefits	-	285,000
TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	3,852,876	4,204,058

Key management personnel comprise 23 individuals: 15 elected members or 15 full-time equivalents and 8 executive leaders or 8 full-time equivalents.

For further disclosure of the remuneration payable to the Mayor, Councillors and the Chief Executive refer to Note 38: Remuneration and staffing.

Material related party transactions - key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services.

These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

The Mayor and Councillor's disclose their personal interests in a register available on the Council website (wellington.govt.nz).

There are no commitments from Council to key management personnel.

Material related party transactions - other organisations

- **Basin Reserve Trust (BRT)**

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust.

Under previously applicable accounting standards the Trust was consolidated on an equity accounted basis. On transition to PBE standards, the Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on this basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements. The financial comparatives for 2014 have been adjusted accordingly and the effect is shown in Note 40: Adjustments to comparative year financial statements.

During the year ending 30 June 2015 Council contributed \$0.368m (2014: \$0.355m) to fund the operations of the Trust.

- **NZ Local Government Funding Agency Limited (LGFA)**

The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost-effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80% of the issued capital, with the Government holding the remaining 20%. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.866m representing 8.3% of paid-up capital.

- **Karori Wildlife Sanctuary Trust (Zealandia)**

The Council has influence in the governance, funding and operations of the Karori Wildlife Sanctuary Trust (trading as Zealandia), which is not part of the Group, to the extent that it is considered appropriate to disclose the nature of the transactions as being between related parties.

The Council appoints two of the five trustees including the Chair. Operational funding of \$0.875m was made during the year to 30 June 2015. The Council has a concessionary loan totalling \$10.347m on interest-free terms to the Trust. Further information on the loan is included in Note 14: Other financial assets.

- **Wellington Regional Stadium Trust (WRST)**

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and Wellington City Council has significant influence over the WRST through the appointment of trustees and receives benefits from the complementary activities of the Trust.

Under previously applicable accounting standards the Trust was consolidated on an equity accounted basis. On transition to PBE standards, the Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on this basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements. The financial comparatives for 2014 have been adjusted accordingly and the effect is shown in Note 40: Adjustments to comparative year financial statements.

Council holds a \$15m limited recourse loan to WRST which, is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished.

On maturity of the initial WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington Regional Council.

During the year ending 30 June 2015 Council transacted directly with WRST to the amount of \$0.577m and also indirectly with the financial support of major events.

Intra-group transactions and balances

During the year the Council has entered into transactions with its joint venture partner Porirua City Council. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

INTRA GROUP TRANSACTIONS AND BALANCES - JOINTLY CONTROLLED ASSETS	2015 \$000	2014 \$000
Expenditure incurred by the Council to fund the operation and management of:		
Porirua - waste water treatment plant	1,756	2,087

During the year the Council has entered into transactions with its controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

INTRA GROUP TRANSACTIONS AND BALANCES - CONTROLLED ENTITIES	2015 \$000	2014 \$000
Revenue for services provided by the Council to:		
Positively Wellington Tourism	530	222
Positively Wellington Waterfront	139	27
Wellington Cable Car Limited	106	50
Wellington Museums Trust	1,496	1,485
Wellington Regional Economic Development Agency	184	32
Wellington Zoo Trust	664	361
	3,119	2,177
Expenditure incurred by the Council to fund operations and management of:		
Positively Wellington Tourism	3,253	6,475
Positively Wellington Waterfront	-	1,075
Wellington Museums Trust	8,226	8,010
Wellington Regional Economic Development Agency	3,378	-
Wellington Zoo Trust	2,757	2,715
	17,614	18,275
Expenditure for services provided to the Council by:		
Positively Wellington Tourism	121	178
Positively Wellington Waterfront	21	-
Wellington Cable Car Limited	134	13
Wellington Museums Trust	3,429	329
Wellington Regional Economic Development Agency	6,495	5,585
Wellington Zoo Trust	3,022	1,798
	13,222	7,903
Current receivables and recoverables owing to the Council from:		
Positively Wellington Waterfront	139	29
Wellington Cable Car Limited	3	1
Wellington Museums Trust	183	267
Wellington Regional Economic Development Agency	3	386
Wellington Zoo Trust	608	293
	936	976
Current payables owed by the Council to:		
Positively Wellington Tourism	-	89
Wellington Cable Car Limited	27	4
Wellington Museums Trust	579	657
Wellington Regional Economic Development Agency	628	32
Wellington Zoo Trust	221	421
	1,455	1,203

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

During the year the Council has entered into several transactions with its associates and jointly controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

INTRA GROUP TRANSACTIONS AND BALANCES - ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	2015 \$000	2014 \$000
Dividend received from:		
Wellington International Airport Limited	12,950	11,966
Revenue for services provided by the Council to:		
Wellington Water Limited	83	45
Expenditure for services provided to the Council from:		
Wellington International Airport Limited	72	120
Wellington Water Limited	18,046	15,200
	18,118	15,320
Current receivables and recoverables owing to the Council from:		
Wellington Water Limited	15	9
Current payables owed by the Council to:		
Wellington International Airport Limited	2	-
Wellington Water Limited	293	1,030
	295	1,030

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

NOTE 38: REMUNERATION AND STAFFING

Mayoral and Councillor remuneration

Remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to the Mayor or a Councillor during the reporting period.

The following people held office as elected members of the Council's governing body during the reporting period.

The total remuneration attributed to the Mayor and Councillors during the year from 1 July 2014 to 30 June 2015 was \$1,434,782 (2014: \$1,455,653) and is disaggregated and classified as follows:

COUNCIL MEMBER	MONETARY REMUNERATION				
	SALARY	RESOURCE CONSENT HEARING FEES	ALLOWANCES	NON MONETARY REMUNERATION	TOTAL REMUNERATION
		\$		\$	\$
Ahipene-Mercer, Ray	86,354	-	360	3,000	89,714
Coughlan, Jo	91,660	-	-	3,000	94,660
Eagle, Paul	91,660	-	360	3,000	95,020
Foster, Andy	91,660	-	360	3,000	95,020
Free, Sarah	82,802	-	360	3,000	86,162
Lee, David	82,802	-	360	3,000	86,162
Lester, Justin	102,440	-	360	3,000	105,800
Marsh, Simon	86,354	-	360	3,000	89,714
Pannett, Iona	91,660	-	360	3,000	95,020
Peck, Mark	82,802	-	360	3,000	86,162
Ritchie, Helene	82,802	-	360	3,000	86,162
Sparrow, Malcolm	82,802	-	360	3,000	86,162
Wade-Brown, Celia	163,700	-	-	3,000	166,700
Wolf, Simon	82,802	-	360	3,000	86,162
Young, Nicola	82,802	-	360	3,000	86,162
Totals	1,385,102	-	4,680	45,000	1,434,782
			TOTAL MONETARY REMUNERATION		1,389,782
			TOTAL NON- MONETARY REMUNERATION		45,000

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the Local Government Act 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority. As permitted under the Authority's guidelines, the Council has chosen for its elected members to receive an annual salary for the 2014/15 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Resource consent hearings payments

The determination issued by the Remuneration Authority also provides for the payment of hearing fees for those Councillors who sit as members of the Hearings Committee for hearings of resource consent applications lodged under the Resource Management Act 1991. The fees for members who act in this capacity are paid at the rate of \$100 per hour for the Chair and \$80 per hour for other members.

Taxable and non-taxable allowances - mileage, broadband services and mobile phones

The Remuneration Authority's current policy does not allow Councillors to claim an allowance for mileage for their normal duties. However, prior to this decision Councillors had voluntarily decided to forgo receiving this allowance from December 2008.

Councillors are able to choose either of the following two options:

- The payment of a communication allowance of \$30 per month; or
- The reimbursement of any Council-related communication costs, over and above any communication costs they would normally incur, payable on receipt of the appropriate documentation required under the provisions of the Remuneration Authority's determination.

Both the allowance and reimbursement options are non-taxable. Only the payments under the allowance option have been included as remuneration in the schedule above.

The level of all allowances payable to the Council's elected members has been approved by the Remuneration Authority and is reviewed by the Authority on an annual basis.

The Remuneration Authority does permit Council to provide the Mayor with a vehicle for full private use, which would be a taxable benefit; however the current Mayor has declined to take up this option.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration in relation to car parking space provided. The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation that may occur while undertaking Council business.

Director/Trustee fees

In November 2012, the Council resolved that no further payments would be made to elected members appointed to Council Controlled Organisation (CCO) boards from the start of the new triennium (being 19 October 2013). On 14 November 2013 the Council resolved that elected members appointed to the Council Organisation (CO) boards, including the Wellington Regional Stadium Trust, Zealandia, and Wellington International Airport Limited (where applicable), would not receive remuneration with respect to those appointments. Any remuneration that otherwise would have been paid to elected members on a Council Organisation board will be paid directly to the Council and included in the relevant grant fund.

Community Boards

The Council has two community boards - the Tawa Community Board and the Makara/Ohariu Community Board. Remuneration paid to the elected members of these boards is as follows:

COMMUNITY BOARD MEMBER	SALARY	ALLOWANCES	OTHER	TOTAL 2015
	\$	\$	\$	\$
TAWA COMMUNITY BOARD				
Tredger, Robert (Chair)	17,400	540	-	17,940
Lucas, Margaret (Deputy Chair)	8,700	-	-	8,700
Hansen, Graeme	8,700	-	-	8,700
Herbert, Richard	8,700	-	-	8,700
Lester, Justin (see Councillor remuneration above)	-	-	-	-
Marshall, Jack (includes Youth Council attendance fee)	8,700	-	510	9,210
Sutton, Alistair	8,700	-	-	8,700
Sparrow, Malcolm (see Councillor remuneration above)	-	-	-	-
MAKARA-OHARIU COMMUNITY BOARD				
Grace, Christine (Chair)	9,000	540	-	9,540
Burden, Murray	4,500	-	-	4,500
Liddell, Judy	4,500	-	-	4,500
Rudd, Wayne	4,500	-	-	4,500
Scotts, Margie	4,500	-	-	4,500
Todd, Hamish	4,500	-	-	4,500
TOTALS	92,400	1,080	510	93,990

A technology allowance of \$45 per month is available to the chair of both the Tawa and Makara/Ohariu Community Boards. This allowance can be taken as either an allowance or as an actual expense reimbursement. Both options are non-taxable but only payments under the allowance option are included in the above remuneration table.

Malcolm Sparrow was the previous Chair of the Tawa Community Board, before his election to the Council.

Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002.

The table below shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2015.

Under the terms of his agreement, the Chief Executive of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

REMUNERATION OF THE CHIEF EXECUTIVE	COUNCIL	
	2015 \$	2014 \$
Short-term employee benefits		
Kevin Lavery		
Salary	405,000	379,624
Motor vehicle	-	17,376
Motor vehicle park	3,000	3,000
TOTAL REMUNERATION PAID OR PAYABLE	408,000	400,000

Severances

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ending 30 June 2015 the Council made severance payments to 13 employees totalling \$227,468 (2014: 15 employees, \$290,555).

The individual values of each of these severance payments are: \$4,394; \$2,466; \$500; \$42,000; \$7,059; \$12,946; \$28,857; \$2,000; \$1,753; \$37,883; \$6,860; \$61,272; \$19,478.

Employee numbers and remuneration bands

The following table identifies the number of full-time employees as at the end of the reporting period and the full-time equivalent number of all other part-time, fixed-term and casual employees. The table further identifies the breakdown of remuneration levels of those employees into various bands.

	COUNCIL	
	2015	2014
The number of full-time employees as at 30 June	1,020	971
The full-time equivalent number of all other non full-time employees	244	228
The number of employees receiving total annual remuneration of less than \$60,000	1084	1044
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999.99	277	
\$80,000 - \$99,999.99	152	
\$100,000 - \$119,999.99	84	
\$120,000 - \$139,999.99	53	
\$140,000 - \$159,999.99	20	
\$160,000 - \$179,999.99	13	
\$180,000 - \$199,999.99*	6	
\$200,000 - \$239,999.99*	6	
\$240,000 - \$319,999.99*	8	
\$340,000 - \$419,999.99**	2	
		266
\$60,000 - \$79,999.99		142
\$80,000 - \$99,999.99		74
\$100,000 - \$119,999.99		44
\$120,000 - \$139,999.99		23
\$140,000 - \$159,999.99		14
\$160,000 - \$179,999.99		9
\$180,000 - \$219,999.99*		7
\$220,000 - \$299,999.99*		3
\$300,000 - \$400,000**		

The Council, as at 30 June 2015, has 1,705 (2014: 1,626) individual employees of which 685 (2014: 655) work part-time.

A full-time employee or full-time equivalent is based on a 40-hour week.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as the employer Kiwisaver contribution.

*If the number of employees for any band was 5 or less then it has been combined with the next highest band.

** Includes the Chief Executive.

Council has resolved that in addition to legislative requirements to disclose the above bandings it has also included the 3 lowest wage and salary grades.

GRADE	SALARY RANGE	2015	2014
B1	\$32,620 - \$44,134	176	167
B2	\$32,594 - \$51,922	559	556
10	\$42,585 - \$57,615	37	39

Council initiated a minimum wage of \$18.40 per hour for all directly employed staff from 2014. As at 30 June 2015, 86 Council staff (excluding apprentices) were under \$18.40 per hour, compared with 346 as at 30 June 2014. Staff currently earning less than \$18.40, are subject to our competency based framework where they are required to be fully certified to perform the role. The intention is that all staff should achieve \$18.40 per hour in a 6-12 month period.

NOTE 39: EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events after the end of the reporting period that require adjustment to the financial statements or the notes to the financial statements.

NOTE 40: ADJUSTMENTS TO COMPARATIVE YEAR FINANCIAL STATEMENTS

As a result of adopting the PBE accounting standards a number of adjustments were made to the amounts disclosed in the financial statements for the 2014 comparative year.

The changes were required due to:

1. The need to account for carbon credits allocated at no cost, which are now required to be recognised at fair value on the date of allocation. Some were received prior to 1 July 2014 and these were adjusted through opening equity. Those received in 2014 have been added to the appropriate financial statements and notes as shown below.
2. Council considers that it is no longer appropriate to equity account for both the Basin Reserve Trust and the Wellington Regional Stadium Trust due to the lack of actual equity investment. Their contributions to the 2014 Group surplus and the value of the investments previously recorded have been reversed out through the financial statements as shown below.
3. In the disaggregation of non-exchange transactions, the recoverables from GST due have been clarified by excluding a portion relating to FBT payable. This amount has been transferred to Taxes Payable with no effect on the surplus.
4. Service concession assets are now required to be disclosed as a separate assets class and this has occurred within Note 19: Property, Plant and Equipment and Note 25: Revaluations. The changes in comparatives have not been included here as there was no change in values.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	COUNCIL	GROUP
	2014 \$000	2014 \$000
Other revenue		
Carbon credits vested	144	144
Share of equity accounted surplus/(deficit) from associates and jointly controlled entities		
Wellington Regional Stadium Trust	-	(1,016)
Basin Reserve Trust	-	91
NET SURPLUS FOR THE YEAR	144	(781)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	144	(781)

STATEMENT OF CHANGES IN EQUITY	COUNCIL	GROUP
	2014 \$000	2014 \$000
Opening Equity - Retained earnings		
Carbon credits vested - prior years	399	399
Wellington Regional Stadium Trust	-	(38,078)
Basin Reserve Trust	-	(474)
Changes to equity - retained earnings		
Net Surplus	144	(781)
CLOSING EQUITY - RETAINED EARNINGS	543	(38,934)

STATEMENT OF FINANCIAL POSITION	COUNCIL	GROUP
	2014 \$000	2014 \$000
Current assets		
Recoverables from non-exchange transactions	71	71
Non-current assets		
Intangibles		
- Carbon credits vested	543	543
Investment in associates and jointly controlled entities		
- Wellington Regional Stadium Trust		(39,094)
- Basin Reserve Trust		(383)
TOTAL ASSETS	614	(38,863)
Current Liabilities		
Payables under exchange transactions	71	71
TOTAL LIABILITIES	71	71
Equity		
Retained earnings	543	(38,934)
TOTAL EQUITY	543	(38,934)
TOTAL EQUITY AND LIABILITIES	614	(38,863)

NOTES TO THE FINANCIAL STATEMENTS	COUNCIL	GROUP
	2014 \$000	2014 \$000
Note 4 - Other revenue		
Vested assets	144	144
Note 13 - Recoverables from non-exchange transactions		
Taxes - GST recoverable	71	71
Note 17 - Intangibles		
Carbon credits - opening balance	399	399
Additions	144	144
Note 20 - Taxes and transfers payable		
Taxes payable - FBT	71	71

Financial Prudence

The Government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages. These measures further highlight the Council's financial performance in a way that is consistent and standardised.

These measures allow for comparison of financial performance with other councils. However, readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Council's results with other councils due to their size, location and provision of services.

The Council considers there to be three key financial areas that demonstrate whether a council is being managed in a prudent manner; they are in broad terms the level of rate increases, level of borrowings and the balancing of the budget. A council sets what it believes to be prudent levels for each of these areas when it adopts its Long-term Plan. Set out below is a summary of how the Council has performed against those targets.

RATES INCREASE

The Financial Strategy outlines the Council's strategy on rate increases and how to maintain the ratepayers willingness to pay rates as they perceive the value of the services provided by Council. There are two measures that indicate Council's adherence to its strategy:

1. Percentage limit on rate increases before growth (in the rating base) is 3.67%.

The actual percentage rate increase for 2014/15 is 2.94%

2. Dollar limit on rate increases for rates revenue not to exceed, this was set at \$258.8 million for 2014/15.

The actual rates revenue for 2014/15 is \$253.6 million.

The Council has adhered to its limits as set out in Long-term Financial Strategy as set out in the 2012 Long-term Plan.

BORROWING LEVELS

The Financial Strategy outlines its guiding principles on the level of borrowing the Council may undertake, and in broad terms:

- a) Debt cannot be used to fund operations, and
- b) The current level of debt will not restrict a future Councils ability to fund new assets through debt.

The Council has met all of its borrowing measures set out in the following pages, as the Council continues to be prudent in carefully managing its debt levels and ensuring that future generations are not impeded in their ability to borrow to fund future capital expenditure.

BALANCED BUDGET

This measure is designed to highlight whether a council has achieved a balanced budget as discussed in the financial overview. The Council's aim is to be as close to 100% as possible, as large variances would indicate that ratepayers are either paying too much or too little rates which could lead to intergenerational issues in later years.

The Council has achieved 104% for 2015 indicating that the Council has managed to effectively balance its budget by ensuring that operating revenue was greater than operating expenditure.

Annual report disclosure statement for year ending 30 June 2015

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

The Council meets the rates affordability benchmark if

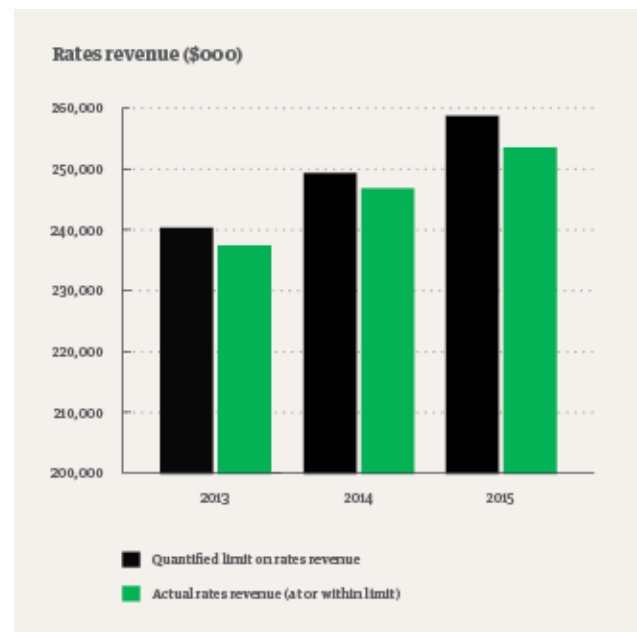
- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

These limits are based on the Local Government Cost Index and the limits are set each year during the Annual Plan process. This will cause some limits to be different than those disclosed in the 2012-2022 Long Term Plan. Where this occurs both the Annual Plan and 2012 Long-term Plan limits will be disclosed.

Rates (revenue affordability)²⁶

The following graph compares the Council's actual rates increases with a quantified dollar limit on rates increases included in the financial strategy included in the Council's 2012 Long-term Plan.

The quantified limit, as per the 2012 Long-term Plan, for 2014/15 is \$258,834,000 (\$249,671,000 2013/14, \$240,161,000 2012/13; quantified limit for the 2014/15 Annual Plan was \$254,289,000 (\$248,386,000 2013/14)).

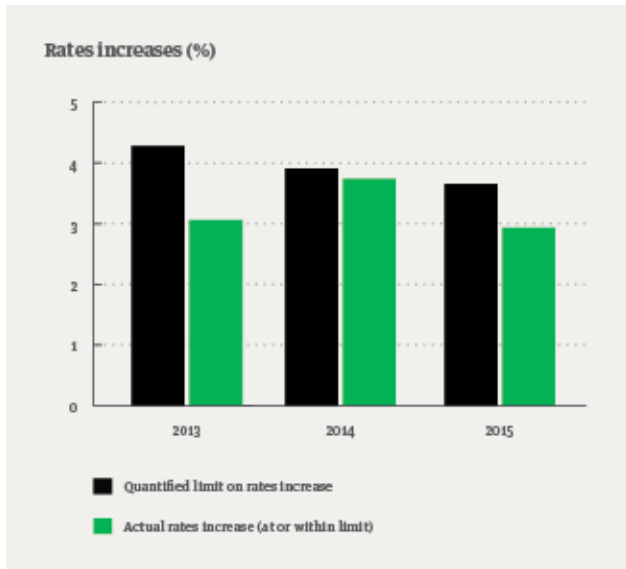


²⁶ This benchmark is required to use the quantified limit as specified in the Financial Strategy in the 2012-2022 Long Term Plan as the benchmark comparator. These will differ from the figures agreed through subsequent Annual Plans.

Rates (increases) affordability²⁷

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's 2012 Long-term Plan.

The quantified limit for 2014/15 is 3.67% (3.96% 2013/14, 4.29% 2012/13) increase before growth; the quantified limit for the 2014/15 Annual Plan was 3.0% (3.57% 2013/14) increase).

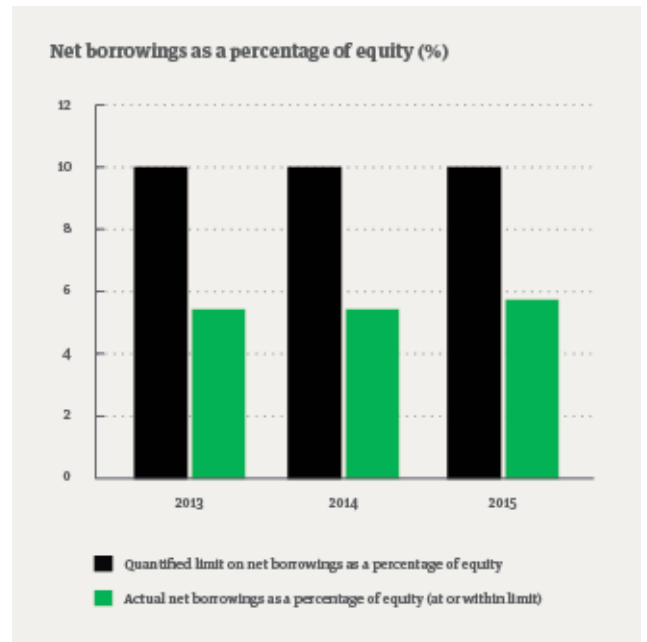


DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has seven measures for debt affordability and these are set out below. The suitability of these measures has been assessed by Council's professional advisers, PricewaterhouseCoopers Wellington.

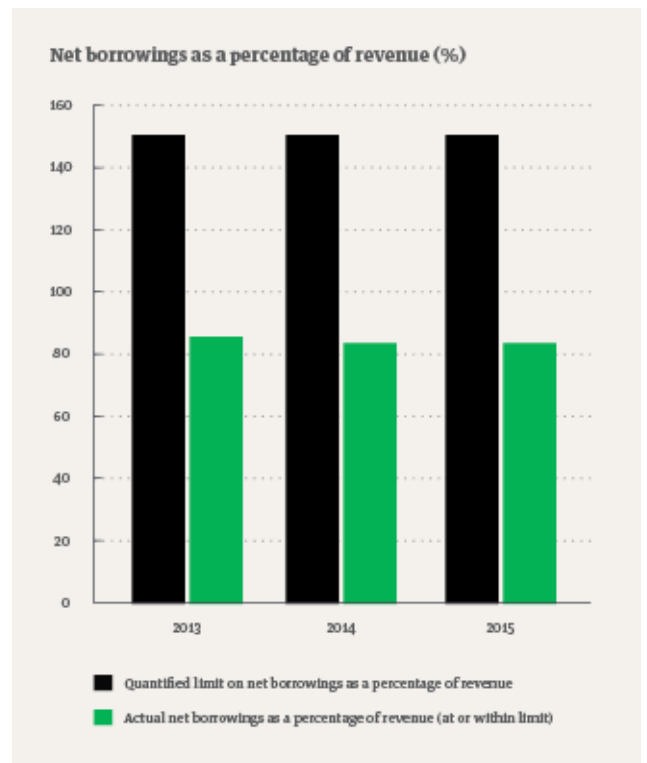
Net borrowing as a percentage of equity

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 10% of equity.



Net borrowing as a percentage of revenue

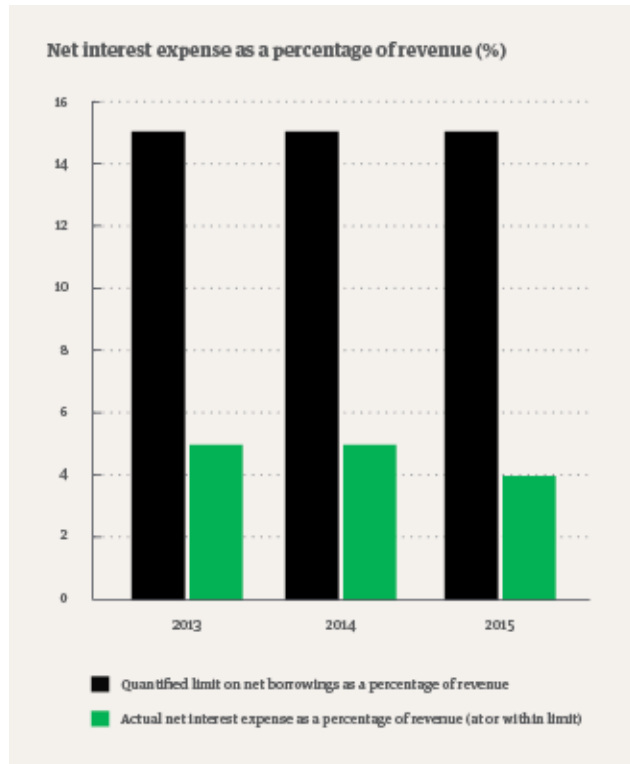
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 150% of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



²⁷ This benchmark is required to use the quantified limit as specified in the Financial Strategy in the 2012-2022 Long Term Plan as the benchmark comparator. These will differ from the figures agreed through subsequent Annual Plans.

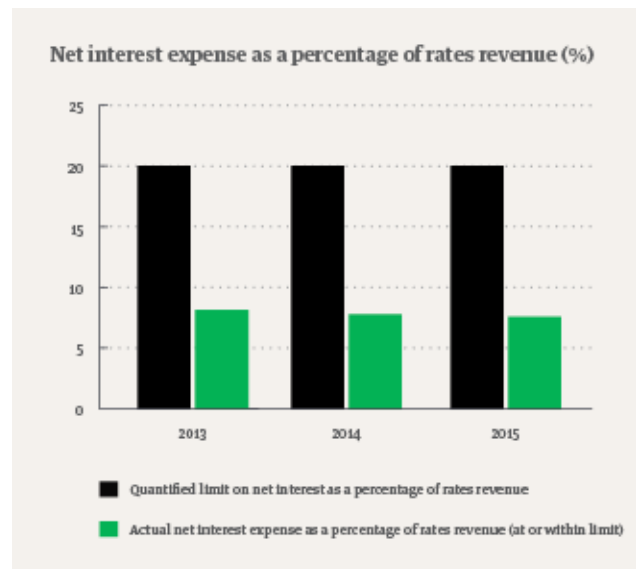
Net interest as a percentage of revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 15% of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



Net interest as a percentage of annual rates revenue

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 20% of annual rates revenue.



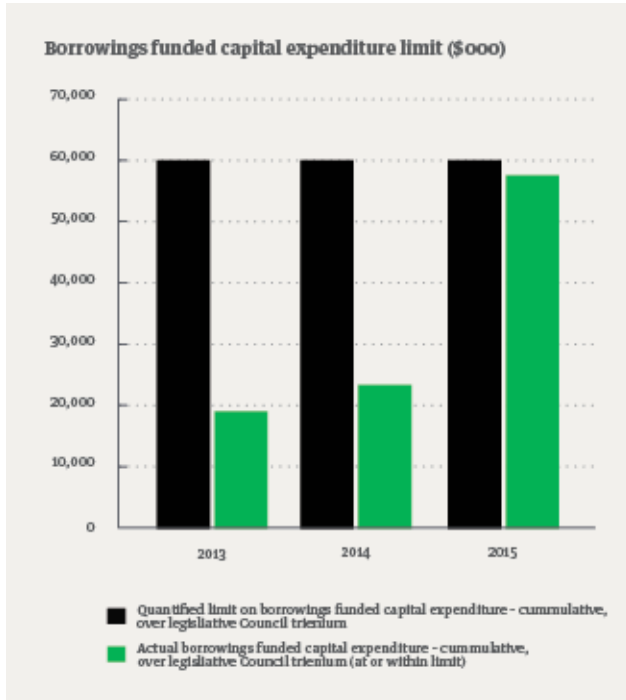
Liquidity (term borrowing committed loan facilities to 12 month peak net borrowing forecast)

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit is liquidity being greater than or equal to 110%. For debt affordability, liquidity is the total of the Council's arranged loan facilities, both drawn down and not drawn down, compared with the peak net borrowings expected for the next 12 months. Net borrowings for debt affordability are defined as comprised of borrowings less cash and cash equivalents.



Borrowings funded capital expenditure limit

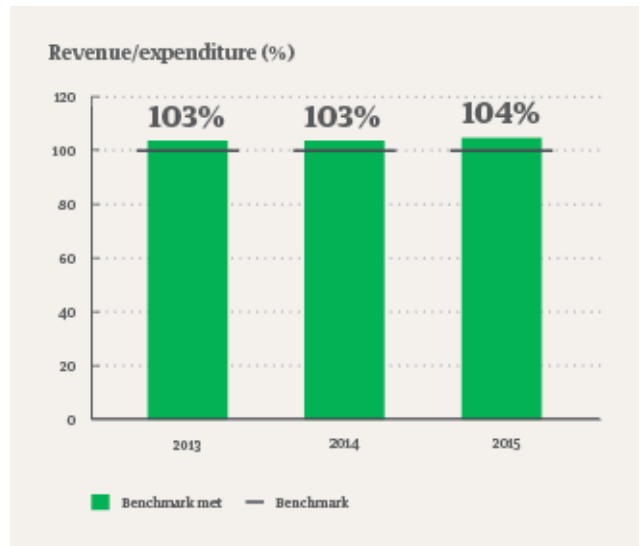
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's Long-term Plan. The quantified limit is no more than \$60 million of capital expenditure funded by new borrowing over the council triennium. This is an accumulative measure over the three years of the Council triennium.



BALANCED BUDGET BENCHMARK

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

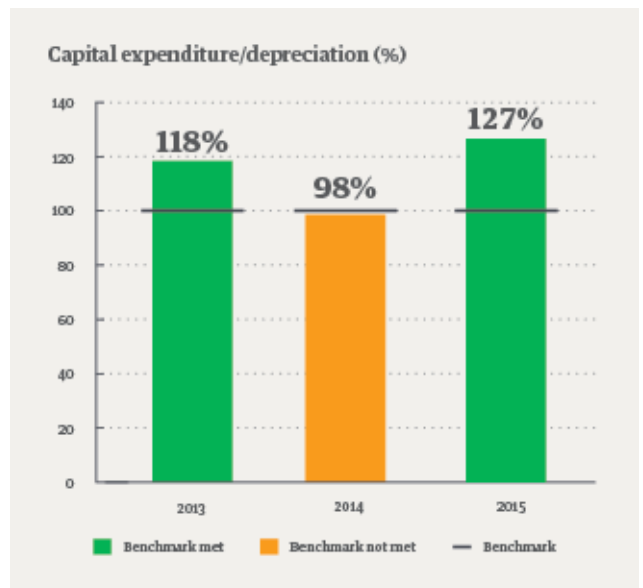
The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



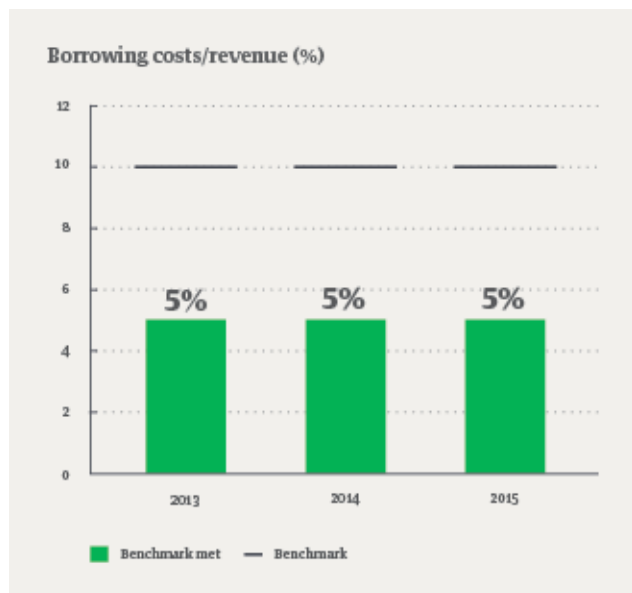
This measure takes a snapshot of capital expenditure on a year-on-year basis, whereas capital expenditure for essential services is planned on a project-by-project basis and does not always neatly align with the financial year. This is further impacted by delays to projects that cause timing differences that will affect the outcome of this measure.

Therefore over time there will be an irregular pattern of expenditure and the Council believes an average over time should be applied to this measure to ensure that Council is sufficiently meeting this requirement. If the average is taken for the three years shown, then Council has met the requirement for the overall period with an average of 114% for the three years.

DEBT SERVICING BENCHMARK

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

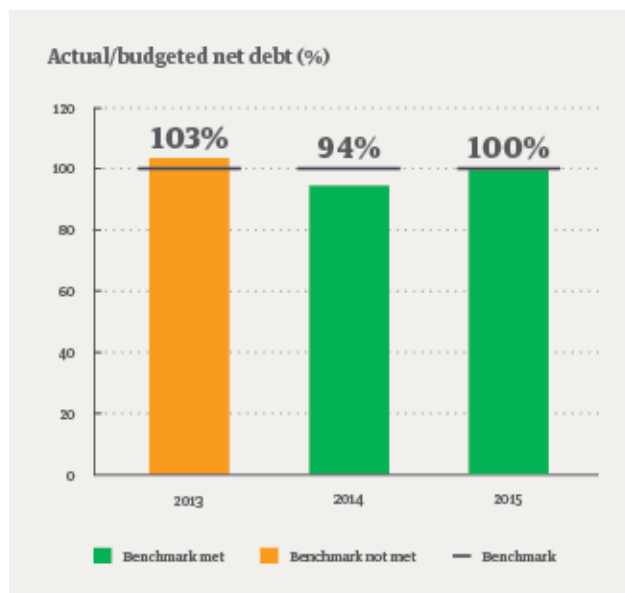
Because Statistics New Zealand projects the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.



DEBT CONTROL BENCHMARK²⁸

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

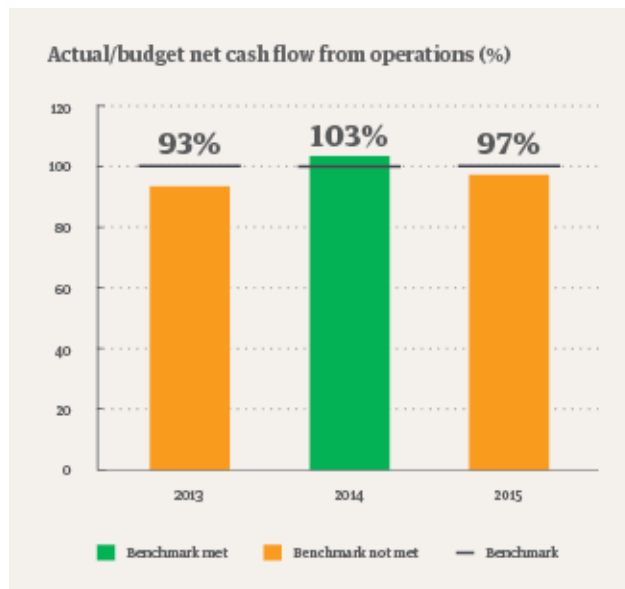
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK²⁹

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



28 This benchmark is required to use the 2012-2022 Long-term Plan net debt figures as the benchmark comparator. These will differ from the figures agreed through subsequent Annual Plans.

29 This benchmark is required to use the 2012-2022 Long-term Plan net cash flow from operations figures as the benchmark comparator. These will differ from the figures agreed through subsequent Annual Plans.

ADDITIONAL INFORMATION

Areas of reported non-compliance

The operations control benchmark shows whether actual net operating cash flow is equal or less than the planned net cash flow from operations. During the preparation of the 2012 Long-term Plan to which this control relates to, a number of assumptions were made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2014/15 year explained by the timing difference in the receipt of revenues compared to budget that led to the “not met” outcome for this measure.

2013/14 Comparative measures

The essential services benchmark compares the level of depreciation for network assets (comprising roading, drainage, waste and water assets) to the level of capital expenditure made during that financial year for those assets. Included within the depreciation figure, is a depreciation amount included for Moa Point Treatment Plant which is under an arrangement where the assets are managed by a third party which will return the assets to the Council in the same condition that they were at the start of the arrangement. Therefore there will be no capital expenditure undertaken by Council in relation to those assets. If the depreciation attributable to those assets were excluded from the calculation, then the benchmark measure would show that the Council had “met” the target by achieving 104% for 2013/14 (125% 2012/13).

This measure also takes a snapshot of capital expenditure on a year-on-year basis, whereas capital expenditure for essential services is planned on a project-by-project basis and does not always neatly align with the financial year. This is further impacted by delays to projects that cause timing differences that will affect the outcome of this measure.

Therefore over time there will be an irregular pattern of expenditure and the Council believes an average over time should be applied to this measure to ensure that the Council is sufficiently meeting this requirement.

2012/13 Comparative measures

The debt control benchmark shows whether actual net debt as defined by the regulations is equal or less than the planned net debt. During the preparation of the 2012 Long-term Plan to which this control relates to, a number of assumptions were made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing its net debt position, as reflected in its AA credit rating and favourable ratios of net debt to revenue and net debt to investments. Council’s net debt to revenue ratio is significantly lower than most other metropolitan councils in New Zealand.

The operations control benchmark shows whether actual net operating cash flow is equal or less than the planned net cash flow from operations. During the preparation of the 2012 Long-term Plan to which this control relates to, a number of assumptions were made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2012/13 year explained by the timing difference in the receipt of revenues compared to budget that led to the “not met” outcome for this measure.

Funding Impact Statements

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 (WHOLE OF COUNCIL)

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	134,395	136,353	131,000	131,652	134,936	135,486
Targeted rates (other than a targeted rate for water supply)	102,343	108,242	103,552	103,405	106,451	106,645
Subsidies and grants for operating purposes	6,935	6,873	7,250	9,131	7,714	8,020
Fees, charges, and targeted rates for water supply ¹	110,360	112,956	113,761	113,528	134,566	121,196
Interest and dividends from investments	9,308	9,308	9,908	14,259	11,044	15,840
Local authorities fuel tax, fines, infringement fees, and other receipts	12,396	12,645	10,817	7,889	9,541	7,696
Total operating funding (A)	375,737	386,377	376,288	379,864	404,252	394,883
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	240,510	241,197	244,969	241,712	269,637	259,690
Finance costs	22,859	25,096	21,965	22,372	23,041	22,973
Other operating funding applications	30,671	30,488	29,623	32,684	28,958	30,793
Total applications of operating funding (B)	294,040	296,781	296,557	296,768	321,636	313,456
Surplus (deficit) of operating funding (A - B)	81,697	89,596	79,731	83,096	82,616	81,427
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	39,967	39,746	42,495	35,500	43,375	33,544
Development and financial contributions	5,000	5,000	5,000	5,873	2,000	2,077
Increase (decrease) in debt	25,873	25,109	20,893	17,819	34,964	22,321
Gross proceeds from sales of assets	9,000	15,075	15,075	12,675	4,050	323
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	79,840	84,930	83,463	71,867	84,389	58,265
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	1,590	3,957	1,634	1,640	2,558	5,365
- to improve the level of service	61,255	57,776	53,991	49,423	69,965	56,360
- to replace existing assets	86,632	98,610	84,094	76,929	79,480	84,752
Increase (decrease) in reserves	12,060	14,183	23,475	26,971	15,002	(6,786)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	161,537	174,526	163,194	154,963	167,005	139,691
Surplus (deficit) of capital funding (C - D)	(81,697)	(89,596)	(79,731)	(83,096)	(82,616)	(81,427)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	94,155	101,138	92,107	90,863	102,165	98,262

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR GOVERNANCE, INFORMATION AND ENGAGEMENT

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	15,711	15,449	16,356	16,356	14,214	14,214
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	56	-	-
Fees, charges, and targeted rates for water supply ¹	694	407	733	1,044	565	654
Internal charges and overheads recovered	-	-	-	-	-	494
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	16,405	15,856	17,089	17,456	14,779	15,362
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	8,772	8,217	8,579	8,757	7,820	8,558
Finance costs	3	1	14	12	15	13
Internal charges and overheads applied	7,541	7,573	8,156	7,097	6,570	7,322
Other operating funding applications	10	10	267	416	313	277
Total applications of operating funding (B)	16,326	15,801	17,016	16,282	14,718	16,170
Surplus (deficit) of operating funding (A - B)	79	55	73	1,174	61	(808)
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	(63)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	(63)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-
- to replace existing assets	110	-	110	53	-	-
Increase (decrease) in reserves	(31)	55	(37)	1,121	61	(871)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	79	55	73	1,174	61	(871)
Surplus (deficit) of capital funding (C - D)	(79)	(55)	(73)	(1,174)	(61)	808
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	79	55	73	83	61	63

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR MAORI AND MANA WHENUA PARTNERSHIPS

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	244	252	225	225	225	225
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	-	-	-	1	-	10
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	244	252	225	226	225	235
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	236	243	214	186	214	197
Finance costs	-	-	1	1	1	1
Internal charges and overheads applied	8	9	8	37	8	2
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	244	252	223	224	223	200
Surplus (deficit) of operating funding (A - B)	-	-	2	2	2	35
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	(2)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	-	-	(2)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	2	2	2	33
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	2	2	2	33
Surplus (deficit) of capital funding (C - D)	-	-	(2)	(2)	(2)	(35)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	0	0	2	2	2	2

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR GARDENS, BEACHES AND GREEN OPEN SPACES

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	29,484	28,560	26,540	26,540	27,267	27,267
Targeted rates (other than a targeted rate for water supply)	418	427	436	436	632	632
Subsidies and grants for operating purposes	566	583	637	679	671	688
Fees, charges, and targeted rates for water supply ¹	1,224	1,261	1,118	1,668	1,314	1,887
Internal charges and overheads recovered	5,332	5,457	4,910	4,920	5,101	5,130
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	37,024	36,288	33,641	34,243	34,985	35,604
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	18,432	17,269	16,980	17,574	17,767	19,950
Finance costs	1,822	2,200	1,674	1,563	1,834	2,411
Internal charges and overheads applied	12,583	12,489	11,233	11,737	11,520	11,923
Other operating funding applications	100	100	80	88	100	105
Total applications of operating funding (B)	32,937	32,058	29,967	30,962	31,221	34,389
Surplus (deficit) of operating funding (A - B)	4,087	4,230	3,674	3,281	3,764	1,215
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	700	600	1,080	1,060	620	333
Development and financial contributions	1,099	1,099	1,099	831	183	353
Increase (decrease) in debt	(1,695)	(1,591)	(2,071)	(1,745)	411	(613)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	104	108	108	146	1,214	73
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	52	53	53	50	34	63
- to improve the level of service	52	55	55	96	1,180	535
- to replace existing assets	2,280	2,498	2,545	2,872	1,791	2,541
Increase (decrease) in reserves	1,807	1,732	1,129	409	1,973	(1,851)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	4,191	4,338	3,782	3,427	4,978	1,288
Surplus (deficit) of capital funding (C - D)	(4,087)	(4,230)	(3,674)	(3,281)	(3,764)	(1,215)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	4,313	4,456	3,952	3,911	4,042	8,197

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR WASTE REDUCTION AND ENERGY CONSERVATION

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	1,819	2,108	451	451	404	404
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	11,200	11,429	12,393	12,191	12,926	13,307
Internal charges and overheads recovered	303	310	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7	7	-	4	-	1
Total operating funding (A)	13,329	13,854	12,844	12,646	13,330	13,712
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	11,728	12,180	11,112	9,438	11,873	11,719
Finance costs	826	1,800	1,051	992	1,005	960
Internal charges and overheads applied	(60)	(944)	111	135	(112)	(29)
Other operating funding applications	-	-	5	8	5	(1)
Total applications of operating funding (B)	12,494	13,036	12,279	10,573	12,771	12,649
Surplus (deficit) of operating funding (A - B)	835	818	565	2,073	559	1,063
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	802	-	91	84	67	(227)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	802	-	91	84	67	(227)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	802	-	91	84	67	67
- to replace existing assets	8,486	7,315	963	275	709	713
Increase (decrease) in reserves	(7,651)	(6,497)	(398)	1,798	(150)	56
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	1,637	818	656	2,157	626	836
Surplus (deficit) of capital funding (C - D)	(835)	(818)	(565)	(2,073)	(559)	(1,063)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	835	818	565	430	435	363

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR WATER

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	24,651	26,902	24,804	24,804	25,408	26,605
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	12,855	12,856	13,366	12,391	13,912	12,764
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	37,506	39,758	38,170	37,195	39,320	39,369
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	20,560	21,298	21,373	20,803	21,547	21,444
Finance costs	2,073	2,436	1,912	1,775	2,104	1,697
Internal charges and overheads applied	1,780	1,824	1,704	1,697	1,522	1,885
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	24,413	25,558	24,989	24,275	25,173	25,026
Surplus (deficit) of operating funding (A - B)	13,093	14,200	13,181	12,920	14,147	14,343
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	1,231	1,231	1,231	1,663	671	341
Increase (decrease) in debt	973	3,947	988	390	2,520	1,426
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	2,204	5,178	2,219	2,053	3,191	1,767
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	274	399	274	243	358	443
- to improve the level of service	1,930	4,779	1,945	1,810	2,833	2,761
- to replace existing assets	9,962	11,000	9,962	8,931	9,104	10,061
Increase (decrease) in reserves	3,131	3,200	3,219	3,989	5,043	2,845
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	15,297	19,378	15,400	14,973	17,338	16,110
Surplus (deficit) of capital funding (C - D)	(13,093)	(14,200)	(13,181)	(12,920)	(14,147)	(14,343)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	13,701	14,808	13,744	13,788	14,739	12,090

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR WASTEWATER

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	34,667	36,676	35,370	35,370	36,257	36,257
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	1,289	1,328	1,210	1,129	1,227	1,229
Internal charges and overheads recovered	-	-	-	-	-	14
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	35,956	38,004	36,580	36,499	37,484	37,500
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	18,218	19,017	20,715	19,795	21,070	18,971
Finance costs	3,730	3,988	3,402	3,298	3,577	3,489
Internal charges and overheads applied	5,252	5,390	3,821	3,481	3,541	3,835
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	27,200	28,395	27,938	26,574	28,188	26,295
Surplus (deficit) of operating funding (A - B)	8,756	9,609	8,642	9,925	9,296	11,205
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	1,007	1,007	1,007	735	549	425
Increase (decrease) in debt	(822)	(797)	(822)	(537)	(377)	(1,805)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	185	210	185	198	172	(1,380)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	185	210	185	198	172	177
- to improve the level of service	-	-	-	-	-	-
- to replace existing assets	7,226	8,185	7,226	7,725	7,573	7,782
Increase (decrease) in reserves	1,530	1,424	1,416	2,200	1,723	1,866
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	8,941	9,819	8,827	10,123	9,468	9,825
Surplus (deficit) of capital funding (C - D)	(8,756)	(9,609)	(8,642)	(9,925)	(9,296)	(11,205)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	12,986	14,156	12,538	12,533	13,416	13,459

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR STORMWATER

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	17,405	18,757	18,089	18,089	18,648	18,648
Subsidies and grants for operating purposes	40	42	40	30	120	56
Fees, charges, and targeted rates for water supply ¹	9	9	9	18	9	47
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	17,454	18,808	18,138	18,137	18,777	18,751
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	5,083	5,223	7,486	6,694	7,432	6,590
Finance costs	2,858	3,446	2,612	2,417	2,875	2,316
Internal charges and overheads applied	3,056	3,133	1,600	1,839	1,473	1,555
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	10,997	11,802	11,698	10,950	11,780	10,461
Surplus (deficit) of operating funding (A - B)	6,457	7,006	6,440	7,187	6,997	8,290
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	107	107	107	113	58	(12)
Increase (decrease) in debt	(7)	8	(7)	117	499	(1,233)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	100	115	100	230	557	(1,245)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	100	115	100	105	106	188
- to improve the level of service	-	-	-	125	451	797
- to replace existing assets	3,912	4,498	3,912	3,963	3,697	3,836
Increase (decrease) in reserves	2,545	2,508	2,528	3,224	3,300	2,224
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	6,557	7,121	6,540	7,417	7,554	7,045
Surplus (deficit) of capital funding (C - D)	(6,457)	(7,006)	(6,440)	(7,187)	(6,997)	(8,290)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	6,457	7,006	6,440	6,552	6,997	6,066

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR CONSERVATION ATTRACTIONS

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	5,751	5,839	5,779	5,779	6,126	6,126
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	5,751	5,839	5,779	5,779	6,126	6,126
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	132	145	127	135	138	126
Finance costs	776	800	708	680	755	691
Internal charges and overheads applied	264	264	268	264	264	264
Other operating funding applications	3,499	3,499	3,590	3,590	3,632	3,632
Total applications of operating funding (B)	4,671	4,708	4,693	4,669	4,789	4,713
Surplus (deficit) of operating funding (A - B)	1,080	1,131	1,086	1,110	1,337	1,413
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	412	133	412	241	129	802
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	1,239	400	1,239	722	387	483
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	1,651	533	1,651	963	516	1,285
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	1,651	533	1,651	963	516	2,398
- to replace existing assets	241	279	241	240	278	278
Increase (decrease) in reserves	839	852	845	870	1,059	22
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	2,731	1,664	2,737	2,073	1,853	2,698
Surplus (deficit) of capital funding (C - D)	(1,080)	(1,131)	(1,086)	(1,110)	(1,337)	(1,413)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	1,080	1,131	1,086	1,293	1,337	1,391

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR CITY PROMOTIONS AND BUSINESS SUPPORT

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	5,175	4,997	4,311	4,311	5,207	5,207
Targeted rates (other than a targeted rate for water supply)	14,630	14,804	14,583	14,583	15,012	15,012
Subsidies and grants for operating purposes	-	-	-	92	-	255
Fees, charges, and targeted rates for water supply ¹	-	-	186	616	14,035	668
Internal charges and overheads recovered	-	-	50	50	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	19,805	19,801	19,130	19,652	34,254	21,142
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	5,844	5,639	7,160	9,164	26,079	11,610
Finance costs	318	378	682	740	710	679
Internal charges and overheads applied	2,227	2,260	2,192	1,873	1,848	1,026
Other operating funding applications	9,077	9,160	7,523	7,923	7,553	8,270
Total applications of operating funding (B)	17,466	17,437	17,557	19,700	36,190	21,585
Surplus (deficit) of operating funding (A - B)	2,339	2,364	1,573	(48)	(1,936)	(443)
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	2,593	-	1,165
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	-	2,593	-	1,165
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	2,593	-	-
- to replace existing assets	864	1,186	765	958	1,341	2,268
Increase (decrease) in reserves	1,475	1,178	808	(1,006)	(3,277)	(1,546)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	2,339	2,364	1,573	2,545	(1,936)	722
Surplus (deficit) of capital funding (C - D)	(2,339)	(2,364)	(1,573)	48	1,936	443
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	2,339	2,364	1,573	1,624	1,618	1,730

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR ARTS AND CULTURE ACTIVITIES

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	12,567	12,778	11,132	11,132	11,947	11,947
Targeted rates (other than a targeted rate for water supply)	5,121	5,095	5,216	5,216	5,243	5,243
Subsidies and grants for operating purposes	430	443	402	206	430	382
Fees, charges, and targeted rates for water supply ¹	645	664	611	717	583	638
Internal charges and overheads recovered	166	170	341	341	72	72
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	18,929	19,150	17,702	17,612	18,275	18,282
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	3,254	3,359	3,219	3,317	3,510	4,737
Finance costs	264	259	215	178	211	171
Internal charges and overheads applied	1,566	1,588	935	857	1,049	995
Other operating funding applications	12,981	13,139	12,484	12,395	12,680	12,408
Total applications of operating funding (B)	18,065	18,345	16,853	16,747	17,450	18,311
Surplus (deficit) of operating funding (A - B)	864	805	849	865	825	(29)
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	25	25	25	-	26	1,533
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	25	25	25	-	26	1,533
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	25	25	25	-	26	2,370
- to replace existing assets	1	2	1	-	1	1
Increase (decrease) in reserves	863	803	848	865	824	(867)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	889	830	874	865	851	1,504
Surplus (deficit) of capital funding (C - D)	(864)	(805)	(849)	(865)	(825)	29
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	864	805	849	904	825	838

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR RECREATION PROMOTION AND SUPPORT

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	24,507	24,478	24,661	24,661	24,001	24,001
Targeted rates (other than a targeted rate for water supply)	863	883	776	776	1,039	1,039
Subsidies and grants for operating purposes	397	120	396	490	398	277
Fees, charges, and targeted rates for water supply ¹	11,713	12,267	11,353	10,551	11,483	10,617
Internal charges and overheads recovered	1,049	1,074	1,005	1,046	1,051	1,036
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	38,529	38,822	38,191	37,524	37,972	36,970
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	17,459	17,418	17,116	17,010	16,950	17,494
Finance costs	3,949	3,966	3,902	3,441	3,725	3,477
Internal charges and overheads applied	9,560	9,772	9,770	9,095	9,411	9,635
Other operating funding applications	400	400	400	417	650	677
Total applications of operating funding (B)	31,368	31,556	31,188	29,963	30,736	31,283
Surplus (deficit) of operating funding (A - B)	7,161	7,266	7,003	7,561	7,236	5,687
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	(24)	-	-
Development and financial contributions	466	466	466	430	-	302
Increase (decrease) in debt	1,935	1,757	1,469	3,734	457	(1,002)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	2,401	2,223	1,935	4,140	457	(700)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	871	908	871	957	123	-
- to improve the level of service	1,064	849	1,064	2,777	334	443
- to replace existing assets	2,853	2,851	2,902	3,902	2,564	6,260
Increase (decrease) in reserves	4,774	4,881	4,101	4,065	4,672	(1,716)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	9,562	9,489	8,938	11,701	7,693	4,987
Surplus (deficit) of capital funding (C - D)	(7,161)	(7,266)	(7,003)	(7,561)	(7,236)	(5,687)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	7,250	7,355	7,091	7,188	7,324	7,491

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR COMMUNITY SUPPORT

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	22,424	22,978	22,293	22,293	21,755	21,755
Targeted rates (other than a targeted rate for water supply)	4,555	4,665	4,245	4,245	4,179	4,179
Subsidies and grants for operating purposes	1,050	1,082	1,023	1,230	1,296	1,045
Fees, charges, and targeted rates for water supply ¹	18,688	18,937	20,635	21,140	22,057	22,760
Internal charges and overheads recovered	1,259	1,289	1,363	1,304	1,287	1,554
Local authorities fuel tax, fines, infringement fees, and other receipts	964	904	851	553	659	526
Total operating funding (A)	48,940	49,855	50,410	50,765	51,233	51,819
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	25,603	26,315	24,926	25,376	26,166	26,477
Finance costs	(1,326)	(1,704)	(602)	(1,105)	(725)	(1,809)
Internal charges and overheads applied	12,357	12,528	12,416	12,205	10,410	11,142
Other operating funding applications	3,588	3,162	3,574	3,423	3,160	3,036
Total applications of operating funding (B)	40,222	40,301	40,314	39,899	39,011	38,846
Surplus (deficit) of operating funding (A - B)	8,718	9,554	10,096	10,866	12,222	12,973
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	28,448	27,705	30,739	24,514	32,036	13,388
Development and financial contributions	88	88	88	81	-	57
Increase (decrease) in debt	(88)	(89)	(88)	(84)	250	(20,498)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	28,448	27,704	30,739	24,511	32,286	(7,053)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	28,416	27,730	25,694	24,506	32,284	13,453
- to replace existing assets	7,447	7,909	7,031	5,400	6,915	7,988
Increase (decrease) in reserves	1,303	1,619	8,110	5,471	5,309	(15,521)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	37,166	37,258	40,835	35,377	44,508	5,920
Surplus (deficit) of capital funding (C - D)	(8,718)	(9,554)	(10,096)	(10,866)	(12,222)	(12,973)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	12,086	13,174	13,707	13,681	15,730	15,146

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR PUBLIC HEALTH AND SAFETY

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	8,848	9,023	7,713	7,713	8,266	8,266
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	10	11	10	55	25	17
Fees, charges, and targeted rates for water supply ¹	3,385	3,487	3,436	3,480	3,962	3,921
Internal charges and overheads recovered	682	698	668	689	676	699
Local authorities fuel tax, fines, infringement fees, and other receipts	59	61	48	39	52	42
Total operating funding (A)	12,984	13,280	11,875	11,976	12,981	12,945
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	7,688	7,877	7,860	8,143	8,284	8,443
Finance costs	80	94	70	74	76	77
Internal charges and overheads applied	4,549	4,609	3,292	3,537	3,980	4,096
Other operating funding applications	25	26	29	55	129	26
Total applications of operating funding (B)	12,342	12,606	11,251	11,809	12,469	12,642
Surplus (deficit) of operating funding (A - B)	642	674	624	167	512	303
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	424	-	-	-	6
Development and financial contributions	15	15	15	13	-	9
Increase (decrease) in debt	135	(232)	95	127	206	386
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	150	207	110	140	206	401
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	33	25	24	25	-	-
- to improve the level of service	117	182	86	115	206	105
- to replace existing assets	1,074	728	606	686	1,104	934
Increase (decrease) in reserves	(432)	(54)	18	(519)	(592)	(335)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	792	881	734	307	718	704
Surplus (deficit) of capital funding (C - D)	(642)	(674)	(624)	(167)	(512)	(303)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	648	680	639	575	527	653

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	7,159	6,927	7,254	7,254	7,098	7,098
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	67
Fees, charges, and targeted rates for water supply ¹	21	21	20	5	3,922	113
Internal charges and overheads recovered	-	-	-	(10)	310	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	7,180	6,948	7,274	7,249	11,330	7,278
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	1,950	2,005	2,029	1,747	7,775	1,995
Finance costs	1,078	744	1,370	1,008	573	12
Internal charges and overheads applied	2,696	2,743	2,337	2,661	3,040	2,483
Other operating funding applications	1,455	1,455	1,526	1,525	490	466
Total applications of operating funding (B)	7,179	6,947	7,262	6,941	11,878	4,956
Surplus (deficit) of operating funding (A - B)	1	1	12	308	(548)	2,322
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	2,016
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	3,668	638	3,739	3,013	1,429	16,905
Gross proceeds from sales of assets	9,000	15,075	15,075	12,675	2,050	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	12,668	15,713	18,814	15,688	3,479	18,921
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	3,668	638	3,739	3,013	1,429	16,259
- to replace existing assets	2,915	10,936	9,114	6,728	3,267	2,673
Increase (decrease) in reserves	6,086	4,140	5,973	6,255	(1,765)	2,311
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	12,669	15,714	18,826	15,996	2,931	21,243
Surplus (deficit) of capital funding (C - D)	(1)	(1)	(12)	(308)	548	(2,322)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	1	1	12	11	4,305	11

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR BUILDING AND DEVELOPMENT CONTROL

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	8,335	8,329	8,857	8,857	7,319	7,319
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	10,929	11,258	11,425	10,218	12,655	11,308
Internal charges and overheads recovered	92	94	423	283	224	103
Local authorities fuel tax, fines, infringement fees, and other receipts	56	58	29	48	24	31
Total operating funding (A)	19,412	19,739	20,734	19,406	20,222	18,761
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	10,791	11,062	12,135	11,892	12,991	12,942
Finance costs	-	-	-	3	-	3
Internal charges and overheads applied	8,556	8,616	8,407	7,937	6,971	7,027
Other operating funding applications	36	37	35	57	135	27
Total applications of operating funding (B)	19,383	19,715	20,577	19,889	20,097	19,999
Surplus (deficit) of operating funding (A - B)	29	24	157	(483)	125	(1,238)
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	4
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	17,595	14,454	13,234	3,909	17,651	3,880
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	17,595	14,454	13,234	3,909	17,651	3,884
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	17,595	14,454	13,234	3,909	17,651	4,036
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	29	24	157	(483)	125	(1,390)
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	17,624	14,478	13,391	3,426	17,776	2,646
Surplus (deficit) of capital funding (C - D)	(29)	(24)	(157)	483	(125)	1,238
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	29	24	157	28	125	152

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR TRANSPORT

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	28,534	32,565	27,924	27,924	29,503	29,503
Targeted rates (other than a targeted rate for water supply)	33	33	33	33	33	33
Subsidies and grants for operating purposes	4,315	4,465	4,667	5,590	4,774	5,233
Fees, charges, and targeted rates for water supply ¹	2,181	2,246	2,100	1,357	2,100	1,640
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	35,063	39,309	34,724	34,904	36,410	36,409
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	12,070	13,165	11,852	12,113	12,530	12,627
Finance costs	4,637	5,481	4,303	4,034	4,774	4,199
Internal charges and overheads applied	6,009	6,122	6,696	6,046	5,785	5,097
Other operating funding applications	-	-	10	19	10	(10)
Total applications of operating funding (B)	22,716	24,768	22,861	22,212	23,099	21,913
Surplus (deficit) of operating funding (A - B)	12,347	14,541	11,863	12,692	13,311	14,496
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	10,407	10,884	10,264	10,080	10,590	16,995
Development and financial contributions	987	987	987	2,007	539	602
Increase (decrease) in debt	2,113	6,589	3,000	1,920	9,418	11,277
Gross proceeds from sales of assets	-	-	-	-	-	(91)
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	13,507	18,460	14,251	14,007	20,547	28,783
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	75	2,247	127	62	1,765	4,494
- to improve the level of service	5,935	8,531	6,406	6,227	10,968	13,003
- to replace existing assets	24,831	26,224	24,786	22,586	24,979	23,892
Increase (decrease) in reserves	(4,987)	(4,001)	(5,205)	(2,176)	(3,854)	1,890
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	25,854	33,001	26,114	26,699	33,858	43,279
Surplus (deficit) of capital funding (C - D)	(12,347)	(14,541)	(11,863)	(12,692)	(13,311)	(14,496)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	20,560	22,939	20,461	20,125	22,285	21,580

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

FUNDING IMPACT STATEMENT FOR 1 JULY 2014 TO 30 JUNE 2015 FOR PARKING

	2013/14 LTP (\$000)	2014/15 LTP (\$000)	2013/14 AP (\$000)	2013/14 ACTUALS \$000	2014/15 AP \$000	2014/15 ACTUALS \$000
SOURCES OF OPERATING FUNDING						
General rates, uniform annual general charges, rates penalties	(16,588)	(16,842)	(15,638)	(15,638)	(14,086)	(14,086)
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply ¹	18,488	19,044	17,992	18,562	18,316	19,623
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10,146	10,451	8,800	6,172	7,706	6,019
Total operating funding (A)	12,046	12,653	11,154	9,096	11,936	11,556
APPLICATIONS OF OPERATING FUNDING						
Payments to staff and suppliers	11,472	12,048	10,071	10,655	9,850	8,145
Finance costs	12	13	17	16	17	437
Internal charges and overheads applied	605	613	549	748	1,593	1,522
Other operating funding applications	-	-	-	(303)	1	455
Total applications of operating funding (B)	12,089	12,674	10,637	11,116	11,461	10,559
Surplus (deficit) of operating funding (A - B)	(43)	(21)	517	(2,020)	475	997
SOURCES OF CAPITAL FUNDING						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	-	-	1	-	30	(570)
Gross proceeds from sales of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	1	-	30	(570)
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	1	-	30	-
- to replace existing assets	-	-	-	-	150	89
Increase (decrease) in reserves	(43)	(21)	517	(2,020)	325	338
Increase (decrease) in investments	-	-	-	-	-	-
Total applications of capital funding (D)	(43)	(21)	518	(2,020)	505	427
Surplus (deficit) of capital funding (C - D)	43	21	(517)	2,020	(475)	(997)
Funding balance ((A - B) + (C - D))	-	-	-	-	-	-
EXPENSES FOR THIS ACTIVITY GROUPING INCLUDE THE FOLLOWING DEPRECIATION/AMORTISATION CHARGE	413	435	517	437	475	659

1. Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

CAPITAL EXPENDITURE BY STRATEGY

CAPITAL EXPENDITURE BY STRATEGY	2013/14 ACTUAL \$000	2014/15 ANNUAL PLAN \$000	2014/15 ACTUAL \$000
GOVERNANCE:			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	53	-	-
Governance Total	53	-	-
ENVIRONMENT:			
- to meet additional demand	596	670	871
- to improve the level of service	3,078	5,047	6,558
- to replace existing assets	24,006	23,152	25,211
Environment Total	27,680	28,869	32,640
ECONOMIC DEVELOPMENT:			
- to meet additional demand	-	-	-
- to improve the level of service	2,593	-	-
- to replace existing assets	958	1,341	2,268
Economic Development Total	3,551	1,341	2,268
CULTURAL WELL-BEING			
- to meet additional demand	-	-	-
- to improve the level of service	-	26	2,370
- to replace existing assets	-	1	1
Cultural Wellbeing Total	-	27	2,371
SOCIAL AND RECREATION:			
- to meet additional demand	982	123	-
- to improve the level of service	27,398	32,824	14,001
- to replace existing assets	9,988	10,583	15,182
Social and Recreation Total	38,368	43,530	29,183
URBAN DEVELOPMENT:			
- to meet additional demand	-	-	-
- to improve the level of service	6,922	19,080	20,295
- to replace existing assets	6,728	3,267	2,673
Urban Development Total	13,650	22,347	22,968
TRANSPORT:			
- to meet additional demand	62	1,765	4,494
- to improve the level of service	6,227	10,998	13,003
- to replace existing assets	22,586	25,129	23,981
Transport Total	28,875	37,892	41,478
COUNCIL:			
- to meet additional demand	-	-	-
- to improve the level of service	3,205	1,990	133
- to replace existing assets	12,610	16,007	15,436
Council Total	15,815	17,997	15,569
TOTAL COUNCIL:			
- to meet additional demand	1,640	2,558	5,365
- to improve the level of service	49,423	69,965	56,360
- to replace existing assets	76,929	79,480	84,752
TOTAL COUNCIL	127,992	152,003	146,477

Appendices



Report on Council Controlled Organisations

In order to achieve our objectives for Wellington, we have established several companies and trusts. These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake development on behalf of the Wellington community. Where necessary, we provide funding to support their operations and capital investment requirements.

The following pages explain what the organisations do, how their performance is measured, and how they performed during 2014/15.



WELLINGTON REGIONAL STADIUM TRUST³⁰

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC).</p> <p>As at 30 June 2015, they are John Shewan (Chair), Councillor Nigel Wilson (GWRC), Dame Therese Walsh, Susan Elliott, Steven Fyfe, Mark McGuinness, Rachel Taulelei and Councillor Simon Marsh (WCC).</p> <p>The Chief Executive is Shane Harmon.</p>	<p>The Wellington Regional Stadium Trust owns, operates and maintains the Stadium as a high quality multi-purpose sporting and cultural venue. It provides facilities to be used for rugby, cricket and other sports codes, musical and cultural events, and other users, including sponsors and event and fixture organisers.</p>	<p>Operates the Stadium.</p> <p>Manages the event programme and seek opportunities to provide regular quality events.</p> <p>Ensures the Stadium is provided to the community for appropriate usage.</p> <p>Administers the Trust assets and the Stadium on a prudent commercial basis.</p>	Number of events	45-50	54 plus 8 community event days
			Total revenue	\$14.76 million	\$17.3 million
			Event revenue	\$5.42 million	\$8.5 million
			Net surplus	\$1.19 million	\$2.09 million

³⁰ The Wellington Regional Stadium Trust is not formally defined as a Council Controlled Organisation. This report on their activities is presented to recognise the interest that Wellington city ratepayers have in the Trust and its activities. This organisation is also no longer consolidated as part of the Group.

WELLINGTON MUSEUMS TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>All trustees are appointed by the Council.</p> <p>As at 30 June 2015, they are Quentin Hay (Chair), Councillor Nicola Young, Jackie Lloyd, Rachel Farrant and Jill Wilson.</p> <p>The Chief Executive is Pat Stuart.</p>	<p>The Wellington Museums Trust was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City & Sea, the Colonial Cottage, Capital E, the Wellington Cable Car Museum and the Carter Observatory. The Trust has a management agreement with the New Zealand Cricket Museum.</p> <p>The Trust manages and develops programmes and services, and acquires and manages collections for the benefit of Wellington. It provides advice to the Council for the development of museum and gallery services, establishes exhibition programmes and education policies for its facilities, and develops acquisition, deaccession and collection development policies. It liaises with Positively Wellington Tourism to enhance its attraction to Wellington's visitors.</p>	<p>Delivers high quality experiences, events and exhibitions at its facilities.</p> <p>Manages conservation and care for the objects of its collections, and conduct research and development to enhance visitors' experiences.</p> <p>Offers quality education experiences to children and young people.</p> <p>Promotes and protect the heritage of venues.</p> <p>Develops and operate the Soundhouse Studio.</p> <p>Works with national and international artists and collectors.</p>	Attendance targets:		
			• City Gallery	140,000	169,943
			• Capital E	80,000	111,273
			• Museum of Wellington	90,000	124,955
			• Colonial Cottage	2,125	3,511
			• Cable Car Museum	220,998	237,099
			• Carter Observatory	50,000	42,633
			Subsidy per customer (excludes \$50,000 for Capital E festival)	\$13.99	\$12.23
			Carter Observatory subsidy per customer	\$7.36	\$7.32
			Percentage of visitors to all trust institutions who rate the quality of their experience as good or very good	90% on average	90%
Percentage of visitors to all Trust institutions are repeat visitors	27% average	44%			
Percentage of all residents who are aware of Trust institutions	Approximately 86% (across all institutions)	84%			

LAMBTON HARBOUR MANAGEMENT LIMITED (TRADING AS WELLINGTON WATERFRONT LIMITED)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 30 June 2015, they are council officers Kevin Lavery (chair), Derek Fry, Andy Matthews and Greg Orchard.</p> <p>On 1 April 2014, the external Board of Wellington Waterfront Limited was disestablished.</p>	<p>Wellington Waterfront Limited holds the assets of the Wellington Waterfront project (as defined in the Wellington Harbour Board and Wellington City Council Vesting and Empowering Act 1987) as bare Trustee for the Council.</p>	<p>Since 1 July 2014, Wellington Waterfront Limited has functioned as a holding company for Waterfront assets.</p>	<p>Not applicable</p>	<p>Not applicable</p>	<p>Not applicable</p>



WELLINGTON CABLE CAR LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 30 June 2015, they are Council officers Anthony Wilson and Andy Matthews.</p> <p>The Chief Executive is Simon Fleisher.</p> <p>On 1 April 2014, the external Board of Wellington Cable Car Limited was disestablished. The activities, performance measures and targets listed in this table continue to apply.</p>	<p>Wellington Cable Car Limited owns and operates the Cable Car as an efficient, reliable and safe transport service and a uniquely Wellington tourism asset.</p> <p>It also owns and maintains the overhead wiring system for the trolley bus passenger network which services the city.</p>	<p>Maintains the cable cars and associated track, plant, tunnels, bridges and buildings in accordance with best engineering practice, and meet the certification requirements of the New Zealand Transport Agency.</p> <p>Manages the cable car passenger service operation.</p> <p>Markets the cable car.</p> <p>Identifies options for enhancing the cable car travel and tourism experience.</p> <p>Specifies and controls the contract for the inspection, maintenance and repair of the trolley bus overhead wiring system.</p>	<p>Cable car passenger numbers</p> <p>All cable car vehicles and associated buildings and equipment are maintained to required safety standards</p> <p>Cable car service reliability</p> <p>Percentage of residents who have used the cable car in the last 12 months</p> <p>Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good</p>	<p>1,005,847</p> <p>Achieve</p> <p>Greater than 99%</p> <p>30%</p> <p>95%</p>	<p>976,416</p> <p>Achieved</p> <p>99.84%</p> <p>53.2%</p> <p>91.1%</p>

WELLINGTON WATER³¹

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
Wellington Water was established in September 2014 and was formed by the merger of Greater Wellington Regional Council's water supply group with Capacity Infrastructure Services, which was owned by Hutt, Porirua, Upper Hutt and Wellington city councils. The five local authorities are joint and equal owners of Wellington Water.	To manage the provision of water services (water supply, storm water and wastewater) to the residents and businesses in the areas served by its customers. Wellington Water's customers are Wellington City Council, Hutt City Council, Porirua City Council and Upper Hutt City Council.	Provide high quality, safe and environmentally sustainable services to shareholding councils and other customers, with a focus on contracted service delivery for the operation, maintenance and on-going development of drinking water, storm water and waste water assets and services, and asset management planning. See also the Environment activity area for more information on water, storm water and waste water services.	Provide a reliable water supply, wastewater and storm water service Develop and complete asset management plans Deliver budgeted capital expenditure projects for respective councils	Fewer than 4 unplanned supply cuts (pipe bursts) per 1000 connections Within agreed timeframe Within agreed timeframes and budget	1.22 Target met Target met
Each council owns its respective water, storm water and waste water assets, and determines the level and standard of services to be provided to its customers and ratepayers.			Deliver budgeted operating and maintenance activities for respective councils Manage and operate within its budget	Within agreed timeframes and budget Within agreed budget	Target met Target met
As at 30 June 2015 , the Directors are John Strahl (Chair), Nicki Crauford, Ian Hutchings, Cynthia Brophy, David Wright and Raveen Jaduram.			Comply with relevant standards, legislation and resource consents	Achieve full compliance	Target met
The Chief Executive is Colin Crampton.					

³¹ Previously Capacity Infrastructure Services Limited



WELLINGTON ZOO TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>The Wellington Zoo Trust was established on 1 July 2003 and all trustees are appointed by the Council.</p> <p>As at 30 June 2015, they are Ross Martin (Chair), Frances Russell, Linda Meade, Raewyn Bleakley, Craig Ellison, and Councillor Sarah Free.</p> <p>The Chief Executive is Karen Fifield.</p>	<p>The Wellington Zoo Trust manages the assets and operations of Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. It promotes species conservation, educates the community by building an awareness of plant and animal species and supports the conservation and educational activities of other organisations.</p>	<p>Cares for resident animals and manage the animal collection.</p>	<p>Number of visitors</p>	230,111 ³²	225,927
		<p>Provides a high-quality visitor experience.</p>	<p>Conservation Programme Managed Species (% of total collection)</p>	>41%	41.3%
		<p>Participates in captive management breeding and breed-for-release programmes.</p>	<p>Average WCC subsidy per visitor</p>	\$11.98	\$12.20
		<p>Develops and maintain high quality animal exhibits.</p>	<p>Annual fundraising target for ZCP</p>	25% of spend for the year	\$595,438
		<p>Delivers educational material and learning experiences.</p>	<p>Average revenue per visitor (excluding WCC grant)</p>	\$14.25	\$15.37
		<p>Contributes to zoological, conservation and facilities management research projects.</p>	<p>Ratio of generated Trust revenue as % of WCC grant</p>	119%	126%

32 This figure has increased from the original Long-term Plan target to reflect the higher than anticipated visitor numbers in previous years.

BASIN RESERVE TRUST³³

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington.</p> <p>As at 30 June 2015, the two trustees appointed by the Council are Councillor Paul Eagle and Sir John Anderson (Chair). The two trustees appointed by Cricket Wellington are Don Neely and John Greenwood.</p> <p>The Chief Executive is Peter Clinton.</p>	<p>The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.</p>	<p>Manage the Basin Reserve for recreational activities and the playing of cricket for residents of Wellington.</p> <p>Contribute to the events programme for Wellington.</p> <p>Operate as a successful not-for profit undertaking.</p> <p>Preserve and enhance the heritage value of the Basin Reserve.</p>	<p>Number of events:</p> <ul style="list-style-type: none"> • Cricket • Other sports • Community <p>Number of event days:</p> <ul style="list-style-type: none"> • Cricket • Other sports • Community • Attendance figures 	<p>10</p> <p>10</p> <p>2</p> <p>26</p> <p>10</p> <p>2</p> <p>29,800</p>	<p>9</p> <p>24</p> <p>11</p> <p>24</p> <p>20</p> <p>11</p> <p>22,506</p>

³³ This organisation is no longer consolidated as part of the Group.

PARTNERSHIP WELLINGTON TRUST (TRADING AS POSITIVELY WELLINGTON TOURISM)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
<p>In December 2014, Positively Wellington Tourism became part of the Wellington Region Economic Development Agency (WREDA), combining the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.</p> <p>As at 1 January 2015, the board members of WREDA are Peter Biggs (Chair), Helen Anderson, Matt Clarke, Sarah Gibbs, Prof. Grant Guilford, Richard Laverty, Paul Mersi, Thomas Pippos and Lorraine Witten.</p> <p>The WREDA Chief Executive is Chris Whelan</p> <p>The PWT Chief Executive is David Perks</p>	<p>The Partnership Wellington Trust markets and adds value to Wellington in order to achieve sustainable economic growth for residents.</p> <p>It acts to enhance the recognition of Wellington as a desirable visitor destination, enhances the profile of city businesses and to promote strategic alliances and private sector partnerships and maximises the city's share of regional spending.</p> <p>It also promotes community focused initiatives, aims to improve the sustainability of Wellington's commercial sector through its marketing initiatives and facilitates the coordination of marketing initiatives that are appropriate to its objectives.</p>	<p>Promotes Wellington as a visitor destination in national and international markets.</p> <p>Markets Wellington as a convention and conference destination.</p> <p>Provides visitor information services.</p> <p>Runs initiatives that promote retail growth, including the downtown retail campaign.</p> <p>Profiles Wellington's strengths in arts, sport and education attractions, and conduct development of an ongoing events profile for the city.</p> <p>Facilitates the development of new tourism and event product and the Visiting Friends and Relatives (VFR) market.</p> <p>Manages Wellington's destination profile on the internet.</p> <p>Conducts research and analysis of the tourism industry.</p>	International direct arrivals to Wellington Airport from Australia	Increase by 5% over 2013/14 levels	Decreased 0.1%
			International commercial guest nights	Increase by 1% relative to 2013/14	Increased 12.1%
			Domestic commercial guest nights in Wellington City	Increase by 2% relative to 2013/14	Increased 2.1%
			Weekend occupancy in partner hotels	Increase by 2% relative to 2013/14	Increased 4%
			Downtown weekend visitation	Maintained at 2013/14 levels	n/a ³⁴
			i-SITE revenue	Maintain at 2013/14 levels	Decreased 10%
			Cost effectiveness	Maintain Council's funding at 50% or less of Wellington's marketing activity investment	46.2%
			Visits to WellingtonNZ.com	10% increase over 2013/14 levels	Increased 9.5%

34 This year, due to a change in methodology, this result is not available. PWT have altered this indicator to measure 'downtown retail and hospitality spending by visitors'. The target for this new measure, that Wellington retail and hospitality spending does not decline below 2013/14 levels, has been achieved, with relative spending increasing by 7% in the 11 months to May 2015.

WELLINGTON VENUES LIMITED (TRADING AS POSITIVELY WELLINGTON VENUES)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2014/15	ACTUAL 2014/15
In December 2014, Positively Wellington Venues became part of the Wellington Region Economic Development Agency (WREDA), combining the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.	Wellington Venues Limited exists to manage and promote Wellington's major events venues, including the Michael Fowler Centre, Town Hall, St James Theatre and Opera House, and to help establish Wellington as the premier city for events and conferences.	Manages and operate the Venues and any related Events business	Venue hire days	Maintain or increase from previous year ³⁵	1,114 hire days
As at 1 January 2015 , the board members of WREDA are Peter Biggs (Chair), Helen Anderson, Matt Clarke, Sarah Gibbs, Prof. Grant Guilford, Richard Laverty, Paul Mersi, Thomas Pippas and Lorraine Witten. The WREDA Chief Executive is Chris Whelan. The PWV Chief Executive is Glenys Coughlan		Advocates for the Venue and Event sector for the benefit of Wellington residents. Works to achieve greater community access to the Venues' facilities	Performance days and revenues	Maintain or increase from previous year	\$6.64m. 18.7% increase on previous year
			Convention and events days and revenues	Maintain or increase from previous year	\$8.02m. 6.13% increase on previous year
			Maintain appropriate mix of commercial and community hires		Achieved
			Maintain satisfaction ratings of 90%		Achieved
			Ensure standards are maintained through pan-venue asset management		Achieved
			Reduced environmental footprint targets achieved		Achieved

³⁵ 2014/15 result is the base-year data.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES
<p>WREDA is the new regional economic development agency for the lower North Island, combining the economic development activities of Wellington City Council and the Greater Wellington Regional Council into one organisation.</p> <p>The Wellington City Council is an 80% shareholder, and the Greater Wellington Regional Council is a 20% shareholder.</p> <p>As at 30 June 2015, the board members are Peter Biggs (Chair), Helen Anderson, Matt Clarke, Sarah Gibbs, Prof. Grant Guilford, Richard Laverty, Paul Mersi, Thomas Pippas and Lorraine Witten.</p> <p>The Chief Executive is Chris Whelan.</p>	<p>WREDA is a new economic development agency that brings together the region's economic development agency (Grow Wellington) with existing city tourism (Positively Wellington Tourism), venues (Positively Wellington Venues) agencies and the Wellington City Council's major events activities.</p> <p>The benefits to the region of a single agency include: one voice, clearer focus, better use of resources, and improved scale and capacity.</p>	<p>To be confirmed</p>	<p>To be confirmed</p>

Monitoring information

The following indicators have been developed to assess the achievement of those Council outcomes set as part of the 2012/2022 Long-term Plan.

The Council's outcomes are our aspirations for the city and our communities. They are aimed at promoting Wellington's social, economic, environmental and cultural wellbeing now and into the future.

The Council outcomes reflect areas of the city we are able to influence, whereas community outcomes reflect the community's overall aspirations, including areas we have limited ability to influence (for example, the affordability of housing). Over time, we expect to see improvement across all areas. The information provided below is a complete record of the 'outcomes indicators' section under each strategy area.

Note: we only have 2012/13, 2013/14 and 2014/15 results for those indicators sourced from the Council's Residents' Monitoring Survey (RMS). This is because we made changes to the survey methodology in 2012/13 that mean the results of previous RMS are not directly comparable.

We use some acronyms:

RMS: Residents' Monitoring Survey

GIS: Geographic Information Systems

PWT: Positively Wellington Tourism

NZTA: New Zealand Transport Agency

GWRC: Greater Wellington Regional Council

GOVERNANCE OUTCOME INDICATORS

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents who agree that decisions are made in the best interests of the city	WCC RMS 2015	(2013, 2014, 2015) 31%, 36%, 36%
Residents who state that they understand how the Council makes decisions	WCC RMS 2015	(2013, 2014, 2015) 27%, 30%, 36%
Residents who believe they have an influence on Council decision-making	WCC RMS 2015	(Large and some influence) 2013: 41%, 2014: 41%, 2015: 53%.
Mana whenua partner agreement that the use and protection of the city's resources for the future is appropriate	WCC Strategy and Research	Both partners agree that Council is making appropriate decisions regarding the use and protection of the city's resources.
Residents' who believe they have the opportunity to participate in city life	WCC RMS 2015	(Agree and strongly agree) 2013: 67%, 2014: 64%, 2015: 78%
Voter turnout in local elections	WCC Democratic Services	2010: 39%, 2013: 41%

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Fresh water quality	GWRC	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14) Makara Stream: Good, Fair, Fair, Fair, Poor; Karori Stream: Fair, Fair, Fair, Fair, Poor; Kaiwharawhara Stream: Fair, Fair, Fair, Fair, Fair. 2013/2014 information is the most recent available.
Residents' actions to reduce stormwater pollution.	WCC RMS 2015	(2013, 2014, 2015) Putting litter in a rubbish bin: 91%, 90%, 93%; Pouring all household liquid waste down inside sink, toilet or gully trap: 64%, 64%, 71%; Disposing of oil, paint, chemicals by putting them out with household rubbish or taking them for recycling: 49%, 47%, 57%; Collect sweepings from driveway, paths or yard for composting or for disposal with your household rubbish: 49%, 43%, 49%; Wash the car at the car wash or on the lawn: 30%, 26%, 27%; Washing paint brushes in an inside sink: 48%, 50%, 55%; Pick up droppings left by dogs: n/a, 18%, 22%.
Total waste to landfill, per capita	WCC CitiOperations	Tonnes/person 2009/10 = 0.41; 2010/11 = 0.42; 2011/12 = 0.43; 2012/13 = 0.41; 2013/14 = 0.40; 2014/15 = 0.41.
Residents' actions to reduce waste from homes (including recycling, composting, etc.)	WCC RMS 2015	(2013, 2014, 2015) Use Council's kerbside recycling service: 86%, 82%, 90%; Donating things to second-hand shops/charities: 80%, 79%, 86%; Reusing plastic containers such as food containers: 85%, 81%, 81%; Buying refills: 59%, 58%, 66%; Avoiding using plastic bottles or bags/use green bags: 34%, 30%, 42%; Taking things to recycling stations: 39%, 40%, 48%; Home composting: 41%, 39%, 50%.
New Zealanders' and residents' perceptions that Wellington is an eco-city	WCC RMS 2015 and Arts Omnibus Survey	(2013, 2014, 2015) New Zealanders: 27%, 30%, 34%; Residents: 29%, 29%, 25%.
Energy-use, per capita (Wellington Region)	Wellington Electricity	MWh/person 2009/10: 7.2; 2010/11: 7.0; 2011/12: 6.9; 2012/13: 6.7; 2013/14: 6.6; 2014/15: 6.6.
Number/sqm of 'green star' buildings/space in the city	New Zealand Green Building Council	2013/14: Design rating = 9 buildings, 141,365 sqm; Interior fitout rating = 3 buildings, 37,964 sqm. 2014/15: Design rating = 9 buildings, 141,365 sqm; Interior fitout rating = 3 buildings, 37,964 sqm; Built = 2 buildings, 25,248sqm.
Residents (%) who live in an insulated property	WCC RMS 2015	(2013, 2014, 2015) Residents' who report their home as rarely or never: Cold: 27%, 31%, 41%; Damp: 60%, 58%, 70%; Hard to heat: 49%, 51%, 57%.

ECONOMIC DEVELOPMENT OUTCOME INDICATORS

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Number of enterprises and jobs in the city and central city	Statistics NZ	(2012/13, 2013/14) City - Enterprises: 25,372; 25,882. Jobs: 151,338; 153,067. Central city - Enterprises: 8,655; 8,644. Jobs: 97,323; 100,233. ³⁸ 2013/14 information is the most recent available.
Visitor numbers - international (guest nights)	Statistics NZ	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15) 692,202; 702,463; 776,834; 667,760; 686,692; 769,714.
Visitor numbers - domestic (guest nights)	Statistics NZ	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15) 1,352,242; 1,280,162; 1,315,814; 1,373,613; 1,396,402; 1,426,141.
Accommodation (commercial) - occupancy rates and guest nights	Statistics NZ	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15 Year-end April) Guest nights: 2,017,445; 1,982,625; 2,092,605; 2,041,371; 2,083,094; 2,195,854. Occupancy: 64%, 62%, 66%, 64%, 67%, 70%.
Number of major conferences	PWT	(Year-end March) 2011/12 = 468; 2012/13 = 606; 2013/14 = 619; 2014/15 = 633.
Number of A-level events held in Wellington and their economic contribution ³⁹	WCC Events	2009/10 = 9, \$34.8m; 2010/11 = 9, \$23.7m; 2011/12 = 16, \$17m; 2012/13 = 9, \$30.2m; 2013/14 = 10, \$30.9m; 2014/15 = 12, \$29.9m.
New Zealand's top 200 companies based in Wellington	NZ Management Magazine	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15) 24, 20, 18, 20, 21, 22.
Business enterprises - births and growths (net growth in business)	Statistics NZ	Annual growth (business units) ⁴⁰ 2009/10 = -1.9%; 2010/11: 0.2%; 2011/12: 1.1%; 2012/13 = 0.2%; 2013/14 = 2.0%. Net growth 2004-2014: 17%. 2013/14 information is the most recent information available.
Growth in business and employees - 'smart' business	Market Economics	Number of smart businesses in the city and percentage of employees working in the smart business sector ⁴¹ : 2013 = 4,980; 30%. 2014 = 5,125; 31%.
Domestic and international airline passengers entering Wellington Airport	Wellington International Airport	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15 Year-end March) Domestic: 4,491,000; 4,480,000; 4,474,000; 4,647,000; 4,684,000; 4,682,000. International: 626,000; 655,000; 718,000; 727,000; 753,000; 775,000.
Free wifi usage (logons/day) - waterfront and central city	Citylink	(2012/13) Central city: 1,903,357 logons (5,214 per day) Waterfront: 106,659 logons (292 per day). (2013/14) Central city: 2,431,247 logons (6,661 per day) Waterfront: 194,852 logons (534 per day). (2014/15) Central city: 6,816,785 logons (18,676 per day) Waterfront: 142,366 logons (390 per day) ⁴² .
Residents who have access to broadband (%) including ultrafast	WCC RMS 2015	(2013, 2014, 2015): 97%, 97%, 97%.
Gross Domestic Product (per capita growth)	Infometrics	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14) ⁴³ : 1.2%, 0.1%, -2.0%, 0.8%, 1.3%. Regional share of national employment: 11.9 2013/14 information is the most recent available.
Educational achievement (degree level qualifications)	Statistics NZ	Percentage of Wellingtonians over the age of 15 that have a Degree-level qualification or higher: 2006 Census = 33%; 2013 Census = 38%.
Labour force participation rate and youth NEET rates	Statistics NZ	(2012/13, 2013/14, 2014/15) Labour force participation rate: 71.5%, 73.2%, 71.5%. (2012/13, 2013/14, 2014/15) Youth NEET rates: 9.9%, 12.4%, 12.7%.

38 Previous results have been changed as more up-to-date data is available.

39 'A level' events are defined as those with a total funding spend of \$50K plus, excluding WoW®, the Hertz Sevens and the NZ International Arts Festival.

40 Previous results have been changed as more up-to-date data is available.

41 Previous results have been changed as more up-to-date data is available.

42 This year, there has been a methodology change in how information is collected for the waterfront logons measure. In previous years, this has measured the number of 30 minute sessions, whereas the 2014/15 result is for the number of 2 hour sessions that were started.

43 Previous results have been changed as more up-to-date data is available.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Income - household and personal	Statistics NZ	Median personal income: 2006 Census = \$32,500; 2013 Census = \$37,900. Median household income: 2006 Census = \$72,200; 2013 Census = \$91,100.
Ratio of income to cost of living for residents	Statistics NZ	Between 2013 and 2014, the difference between earnings and cost of living decreased by 6.9% (became less expensive).
Pedestrian counts - average of various Lambton Quay sites	WCC Golden Mile Pedestrian Survey	(2012/13, 2013/14, 2014/15) Average hourly pedestrian counts for various Lambton quay sites Monday - Friday: 2,179; 2,069; 1,971.
Total value of exports (value and estimated tonnage)	Statistics NZ	(2012/13, 2013/14, 2014/15) Wellington Airport: Tonnage 871; 1,111; 594. Value \$18.5m, \$14.7m, \$13.2m. Wellington Seaport: Tonnage 1.15m, 1.15m, 1.13m; Value \$988m, \$1,141m, \$1,196m. ⁴⁴
Number of international air connections (by country)	Wellington International Airport	Two - Australian and Fiji.
Businesses and employees engaged in research and development sector	Statistics NZ	(2009, 2010, 2011, 2012, 2013, 2014) Businesses: 156; 150; 146; 152; 151; 160. Employees: 4,840; 4,940; 4,990; 4,900; 5,040; 5,150.
Secondary (international) and Tertiary (international and domestic) students enrolled per 1000 residents	Education Counts and Massey University	(2013/14, 2014/15) International fee paying secondary school students: 347; 363. Domestic tertiary students: 28,049; 27,684. International tertiary students: 3,801; 3,767.

44 Previous results have been changed as more up-to-date data is available.

CULTURAL WELLBEING OUTCOME INDICATORS

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents' frequency of engagement in cultural and arts activities	WCC RMS 2015	(2013, 2014, 2015) At least once a week: 7%, 7%, 9%; At least once a month: 30%, 25%, 34%; At least once every six months: 32%, 34%, 33%; At least once a year: 15%, 13%, 11%; Less often: 12%, 12%, 9%.
New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts scene'	WCC RMS 2015	New Zealanders: 2013 = 84%, 2014 = 84%, 2015 = 84%. Residents': 2013 = 92%, 2014 = 89%, 2015 = 90%.
Residents' perceptions that Wellington's local identity (sense of place) is appropriately valued and protected	WCC RMS 2015	(2013, 2014, 2015): 67%, 72%, 76% ⁴⁵ .
Number of events held at key venues ⁴⁶	Venues and Te Papa	(2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15) 1,514; 1,489; 1,424; 1,356; 1,689; 1,647.
New Zealanders' and residents' perceptions that 'Wellington is the arts capital of New Zealand'	WCC RMS 2015	New Zealanders: 2013 = 54%, 2014 = 52%, 2015 = 57%. Residents': 2013 = 70%, 2014 = 68%, 2015 = 63%.
New Zealanders' and residents' perceptions that 'Wellington is the events capital of New Zealand'	WCC RMS 2015	New Zealanders: 2013 = 29%, 2014 = 31%, 2015 = 34%. Residents': 2013 = 51%, 2014 = 48%, 2015 = 46%.
Residents' agreement with the statement that 'Wellington is an easy place to get involved in the arts'	WCC RMS 2015	(2013, 2014, 2015): 87%, 80%, 85%.

⁴⁵ Previous results have been changed as more up-to-date information is available.

⁴⁶ Key venues include: Westpac Stadium, St James Theatre, Opera House, Wellington Town Hall, Michael Fowler Centre, TSB Bank Arena and Te Papa.

SOCIAL AND RECREATION OUTCOME INDICATORS

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents' usage of WCC community facilities	WCC RMS 2015	(2013, 2014, 2015) Community centre: 19%, 20%, 22%. Community hall: 17%, 19%, 19%.
Residents' perceptions that they feel a sense of community with others in their local neighbourhood	Quality of Life Survey ⁴⁷	(2006, 2008, 2010, 2012, 2014) 57%, 51%, 60%, 53%, 53%.
Residents' perceptions that Wellington offers a wide range of recreation activities	WCC RMS 2015	(2013, 2014, 2015): 76%, 76%, 85%.
Residents' frequency of physical activity	WCC RMS 2015	More than 2.5 hours per week (2013, 2014, 2015): 64%, 65%, 71%.
Residents' perceptions of barriers restricting participation in recreation activities, for example, too busy, poor health, no facilities, parking, transport, weather, expense, etc.	WCC RMS 2015	(2013, 2014, 2015) Too busy: 47%, 45%, 47%; Poor health: 11%, 9%, 6%; Lack of motivation: 24%, 23%, 22%; Lack of parking/public transport/transport: 20%, 19%, 20%; Weather: 27%, 30%, 34%; Expense: 37%, 36%, 26%.
Residents' importance of sense of community in local neighbourhood	Quality of Life Survey	(2006, 2008, 2010, 2012, 2014) 69%, 59%, 70%, 75%, 71%.
Residents' usage of WCC libraries	WCC RMS 2015	(2013, 2014, 2015): 68%, 69%, 74%.
Residents frequency of visiting WCC libraries	WCC RMS 2015	(2013, 2014, 2015) More than once a week: 5%, 5%, 4%; Once a week: 10%, 15%, 15%; Once every 2-3 weeks: 29%, 22%, 24%; Once a month: 18%, 19%, 19%; Once every 2-3 months: 19%, 17%, 21%; Once every 4-6 months: 13%, 11%, 7%; Less often: 6%, 11%, 8%.
Residents engaging in neighbourly actions	WCC RMS 2015	(2013, 2014, 2015) Spoken to a neighbour: 92%, 88%, 92%; Given help to a neighbour: 58%, 55%, 58%; Received help from a neighbour: 43%, 44%, 47%; Participated in an activity with a neighbour: 28%; 34%, 38%; Discussed emergency preparedness with a neighbour: 12%, 19%, 16%; None of the above: 7%, 10%, 7%.
Types of social networks to which residents belong (i.e. community, sports, ethnic, etc.)	Quality of Life Survey	(2006, 2008, 2010, 2012, 2014) School or work network: 62%, 67%, 65%, 58%, 57%; Hobby/interest group: 37%, 41%, 38%, 30%, 31%; Online community groups (e.g. Facebook): 20%, 38%, 59%, 51%, 59%; Sports club: 33%, 29%, 30%, 29%, 24%; Church/spiritual group: 32%, 26%, 23%, 19%, 16%; Community/voluntary group: 22%, 19%, 22%, 18%, 15%.
Ethnic diversity of the city's population and resident's values regarding diversity	Statistics NZ and WCC RMS 2015	30% of the city's population are non-European. 78% of residents believe that different lifestyles and cultures make Wellington a better place to live.
Residents' perceptions of safety - central city and local neighbourhood (day and night)	WCC RMS 2015	(2013, 2014, 2015) Central city day = 98%, 98%, 99%; Central city night = 72%, 69%, 76%. Neighbourhood day = 99%, 99%, 99%; Neighbourhood night = 85%, 83%, 87%.
Resident perceptions - city safety issues of most concern	WCC RMS 2015	(2013, 2014, 2015) Alcohol and drug problems: 54%, 55%, 51%; Dangerous drivers (including speed, drunk drivers): 34%, 35%, 29%; Threatening people/people behaving dangerously: 53%, 51%, 48%; Poorly lit/dark public areas (streets, paths, parks): 63%, 71%, 61%; Traffic, including busy roads/lack of pedestrian facilities: 31%, 31%, 34%; Car theft/vandalism: 33%, 29%, 36%; Graffiti: 46%, 40%, 34%; Vandalism (broken windows in shops): 30%, 28%, 26%; Poorly maintained/dangerous public areas: 37%, 40%, 34%.
Crime - number recorded (resolution rate) - by category	Statistics NZ	(2009, 2010, 2011, 2012, 2013, 2014, 2015) Offences against the person: 7,222 (80%); 6,959 (76%); 6,406 (77%); 5,837 (71%); 5,445 (59%); 6,625 (55%). Burglary/ Theft: 21,259 (21%); 19,733 (19%); 20,144 (19%); 17,606 (20%); 16,920 (17%); 17,648 (17%). Illicit drug offences: 2,367 (97%); 1,907 (95%); 1,810 (96%); 2,603 (96%); 1,157 (89%); 2,124 (95%). Public order offences: 5,108 (87%); 4,342 (86%); 4,056 (89%); 3,807 (85%); 3,596 (78%); 2,838 (66%).

47 This survey is held bi-annually, so results are not available for all years.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents with home emergency items and plan	WCC RMS 2015	(2013, 2014, 2015) Items: 78%, 80%, 81%. Plan: 42%, 50%, 48%.
Number of notifications of the most prevalent food and water-borne diseases	WCC Building Consents and Licensing	2009/10 = 291; 2010/11 = 210; 2011/12 = 161; 2012/13 = 234; 2013/14 = 264; 2014/15 = 207.
Life expectancy (with break-down)	Statistics NZ	Male: 1995-1997 = 75.4; 2000-2002 = 78; 2005-2007 = 80.1; 2013 = 80.9. Female: 1995-1997 = 81.2; 2000-2002 = 82.5; 2005-2007 = 83.7; 2013 = 84.2. This measure is drawn from census information.
Residents' perception of their 'quality of life'	WCC RMS 2015	Good or extremely good (2013, 2014, 2015): 88%, 86%, 93%.

URBAN DEVELOPMENT OUTCOME INDICATORS

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Resident perceptions that Wellington is a great place to live, work and play	WCC RMS 2015	(2013, 2014, 2015) Great place to live: 93%, 89%, 96%. Great place to work: 66%, 62%, 64%. Great place to play: 88%, 88%, 92%.
Value of commercial and residential building consents	Statistics NZ	(2010, 2011, 2012, 2013, 2014, 2015 Year-end March). Commercial: \$308m, \$264m, \$204m, \$226m, \$271m, \$302m. Residential: \$211m, \$266m, \$217m, \$327m, \$256m, \$246m.
Population density - central city area, 'Growth Spine', inner-city residential, outer residential, suburban centres (long-term indicator).	WCC GIS	(2001, 2006, 2013 census) Central city: 5,844; 8,547; 11,797 people; 'Growth Spine': 18,348; 22,293; 25,301 people; Inner city: 23,559; 25,227; 26,583 people; Outer residential: 98,718; 108,402; 111,639 people; Suburban centres: 2,295; 3,105; 3,261 people.
Resident's perceptions of the city centre as an easy place to get to, use and enjoy	WCC RMS 2015	(2013, 2014, 2015) Easy to get around: 81%, 78%, 83%; Easy to access leisure activities: 74%, 71%, 80%.
Resident's perceptions of urban design/urban form safety issues (i.e. graffiti, vandalism, poorly lit public spaces etc.)	WCC RMS 2015	(2013, 2014, 2015) Poorly lit public areas: 63%, 71%, 61%; Vandalism: 30%, 28%, 26%; Graffiti: 46%, 40%, 34%; Poorly maintained public areas: 37%, 40%, 34%.
% of city's population who reside in the central city	Statistics NZ	(2006 census, 2013 census): 7.3%, 8.9% ⁴⁸
Building density (buildings per hectare) - central city area, inner-city residential, outer residential, Business 1 and 2, Centres, Medium Density Residential Area (long-term indicator)	WCC GIS	(2010, 2011, 2012, 2013, 2015) ⁴⁹ Central Area - 1,904 (7.85); 1,884 (7.76); 1,869 (7.70); 1,870 (7.7); n/a; 1,825 (7.58). Inner Residential - 10,652 (34.60); 10,633 (34.54); 10,578 (34.46); 10,577 (34.39); n/a; 10,485 (34.7). Outer Residential - 76,699 (21.84); 76,818 (21.88); 76,990 (21.96); 77,009 (21.9); n/a; 75,499 (21.91). Business 1 & 2, Centres and Medium Density Residential Area- n/a; 3,640 (10.98).
Proportion of houses within 100m of a public transport stop	WCC GIS	2010 = 48%; 2011 = 47%; 2012 = 46%; 2013 = 45%; 2014 = n/a ⁵⁰ ; 2015 = 45%
Identified earthquake-prone buildings that have been strengthened/demolished	WCC Building Consents and Licensing	2009/10: 4; 2010/11: 11; 2011/12: 12; 2012/13: 44; 2013/14: 52; 2014/15 = 73.
Residents' perceptions that heritage items contribute to the city and local communities' unique character	WCC RMS 2015	(2013, 2014, 2015) City: 92%, 85%, 93%. Local community: 72%, 67%, 71%.
New Zealanders' perception that Wellington is an attractive destination	Colmar Brunton Omnibus Survey	(2010, 2011, 2012, 2013, 2014, 2015) 82%, 75%, 77%, 78%, 80%, 78%.
Residents' rating of sense of pride in the way their city looks and feels	WCC RMS 2015	(2013, 2014, 2015): 82%, 75%, 85%.

⁴⁸ Central city is defined as the Thorndon/Tinakori, Lambton and Willis St/Cambridge area units.

⁴⁹ Dataset not updated in 2014.

⁵⁰ Dataset not updated in 2014.

TRANSPORT OUTCOME INDICATORS

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents' perceptions that peak traffic volumes are acceptable	WCC RMS 2015	(2013, 2014, 2015): 57%, 53%, 47%.
Total fuel used on Wellington roads, per capita	WCC Infrastructure Planning and Data	Litres/person 2009/10 = 2,012; 2010/11 = 1,934; 2011/12 = 1,908; 2012/13 = 1,843; 2013/14 = 1,817; 2014/15 = 1,878.
Residents' perceptions that the city's transport system allows easy access from the suburbs to the city	WCC RMS 2015	(2013, 2014, 2015): 63%, 64%, 65%.
Mode of transport used by residents to come into the CBD – by car, bus, walking, train and cycling	WCC RMS 2015	(2013, 2014, 2015) Car: 33%, 31%, 33%; Bus: 34%, 28%, 27%; Walking: 20%, 27%, 23%; Train: 6%, 6%, 3%; Cycle: 3%, 4%, 8%.
Residents' perceptions that public transport is convenient and affordable	WCC RMS 2015	(2013, 2014, 2015) Convenient: 68%, 70%, 69%; Affordable: 40%, 38%, 46%.
Uses of public transport: buses and trains	GWRC	Total passenger boardings – Wellington Region – 000s (2013, 2014, 2015) Bus: 23,608; 23,981; 24,099. Trains: 11,355; 11,643; 12,129.
Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter PM ₁₀)	GWRC	(2009, 2010, 2011, 2012, 2013, 2014 Calendar years) Nitrogen dioxide (µg/m ³): maximum: 101.1, 105.4, 93.7, 92.0, 79.8, 86.6; mean (annual): 27.4, 25.8, 24.4, 20.2, 19.4, 19.7. Carbon monoxide (mg/m ³): maximum: 2.9, 3.2, 2.5, 1.9, 2.1, 1.5; mean (annual): 0.6, 0.6, 0.6, 0.4, 0.4, 0.4. Particulate matter PM ₁₀ (µg/m ³): maximum: 31, 32, 34, 32, 28, 32; mean: 13, 13, 13, 13, 14, 13.
Number of road crashes resulting in injury	NZTA	(2009, 2010, 2011, 2012, 2013, 2014) Total: 433, 372, 314, 298, 335, 319; Fatal: 3, 3, 6, 2, 2, 3; Serious: 53, 55, 79, 77, 35, 57.
Social cost of all crashes – includes loss of life estimates and non-injury crashes.	NZTA	(2009, 2010, 2011, 2012, 2013, 2014) \$112m, \$104m, \$116m, \$98m, \$59m, \$78m.
Residents' perceptions of transport related safety issues (i.e. issues of most concern)	WCC RMS 2015	(2013, 2014, 2015) Traffic or busy roads: 31%, 31%, 34%; Car theft or vandalism: 33%, 29%, 36%; Poorly lit or dark public areas: 63%, 71%, 61%; Dangerous driving: 34%, 35%, 29%.

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 and Jointly Controlled Entities - are entities that the Council owns a share of but does not control. Our share of the Associate's or Jointly Controlled Entities' net surpluses or deficits and net assets is recorded in the Group financial statements. The Council's Associates are; Chaffers Marina Holding Limited (10.52%) and Wellington International Airport Limited (34%), and its Jointly Controlled Entity is Wellington Water Limited (42.11%).

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 three months or less.

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 - a 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 depreciation).

External funding for capital expenditure - funding recorded as revenue but used to fund capital expenditure projects.

Fair value - essentially reflects the market value of assets or liabilities.

Investment properties - these are properties primarily held by the Council to earn rental revenue.

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 10 years and how the costs will be funded.

Net borrowings - total borrowings less any funds held on deposit.

Net surplus/deficit - net surplus/deficit is the difference between total revenue 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 revenue 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 - funds that can only be used for a specific purpose.

Total comprehensive revenue and expense - is the net surplus/deficit adjusted for fair value movements of some of our assets including property, plant and equipment and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect changing fair values of assets the Council owns.

Underlying funding surplus/deficit - the portion of the overall net surplus/deficit that has arisen from changes to operating revenue operational expenditure as compared to budget.

Unfunded depreciation - the amount of depreciation not funded by rates. This relates mainly to roading assets funded by NZTA and sewerage treatment assets where the operator has responsibility for asset renewal.

Vested assets - assets created by others and passed into Council ownership (e.g. roads built by a developer as part of a subdivision).

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Independent auditor's report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Wellington City Council and group's annual report for the year ended 30 June 2015

The Auditor-General is the auditor of the Wellington City Council (the City Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the City Council that comprise:
 - the statement of financial position as at 30 June 2015 on page 126;
 - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 123 to 124, 125; and 127-128;
 - the funding impact statement of the City Council on page 220;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on page 238; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements] on pages 130 to 212;
- the statements of service provision of the City Council on pages 29 to 111 and the funding impact statements in relation to each group of activities of the City Council on pages 221 to 237; and
- the disclosures of the City Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 213 to 219.

In addition, the Auditor-General has appointed me to report on whether the City Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 172;
 - reserve funds on pages 179 to 182;
 - each group of activities carried out by the City Council on pages 29 to 111;
 - remuneration paid to the elected members and certain employees of the City Council on page 207-209;

- employee staffing levels and remuneration on pages 210;
- severance payments on page 209;
- rating base units on page 143; and
- insurance of assets on page 168;
- a report on the activities undertaken by the City Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on pages 36; and
- a statement of compliance signed by the mayor of the Council, and by the City Council's chief executive on page 122.

Opinion

Audited information

In our opinion:

- The financial statements of the City Council on pages 123 to 212:
 - present fairly, in all material respects:
 - the City Council's financial position as at 30 June 2015;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- The funding impact statement of the City Council on page 220 present 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on page 238, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's annual plan.
- The statements of service provision of the City Council on pages 29 to 111:

- present fairly, in all material respects, the City Council's levels of service for the year ended 30 June 2015, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
- complies with generally accepted accounting practice in New Zealand.
- The funding impact statements in relation to each group of activities of the City Council on pages 221 to 237; present fairly, in all material respects, by each group of activities, 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 disclosures on pages 213 to 219 represent a complete list of required disclosures and accurately reflect the information drawn from City Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the City Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 26 August 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City Council's preparation of the information we audited

in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the City Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the City Council's financial position, financial performance and cash flows; and
 - present fairly its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly 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;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, 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;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

RESPONSIBILITIES OF THE AUDITOR

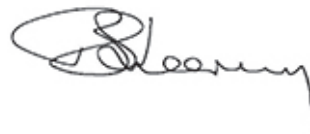
We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

INDEPENDENCE

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

During the year we undertook an independent assurance review in respect of the City Council's Debenture Trust Deed, we carried out a review of the revenue and expenditure of the Clifton Terrace car park managed by the City Council on behalf of the New Zealand Transport Agency, and a review of the City Council's process to select providers for the proposed Wellington Regional ICT Infrastructure shared services.

Other than the audit, the independent assurance review in respect of the Debenture Trust Deed, the review of the Clifton Terrace car park, the review of the selection of providers for the ICT shared services project and the audit of the City Council's 2015-25 Long Term Plan, we have no relationship with, or interests, in the City Council.



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

DIRECTORY

The call centre and website are your first points of contact for all Council services, including building and resource consents, complaints and queries, liquor licensing, animal control, food safety, parks and recreation facilities, Council meetings and consultation, cemeteries, landfills, transport issues, rubbish and recycling collection, parking, rates, events, archives and community services.

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