



JANUARY
FEBRUARY
MARCH
2013



QUARTERLY REPORT



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INTRODUCTION

This is the third Wellington City Council Quarterly Report for the 2012/13 year. We have continued with the format introduced in the first quarterly report and hope it has made it easier for you to find the information of particular interest to you.

Key information about our activities in the quarter is presented upfront together with information about what others are doing to contribute to our strategic goals. This is followed by a more detailed picture of what we are doing and what it means for you, your city and your Council.

City Vitals show that Wellington continues to be a Smart Capital with an increase in visits to our library website and, for the first time, the city's CBD free wi-fi exceeding 200,000 sessions in a month.

City Progress highlights the steps we are taking to achieve our priorities, particularly through our transport projects and making Wellington a place where talent wants to live.

Key Variances highlights some of the areas where we did not achieve what we had planned. In each case we explain why that happened and identify the actions we plan to take to address the variances.

Schedules at the back of this document set out a more detailed review of our activities during the quarter including a summary of our performance and detailed financial and budget information.

As always we welcome your feedback. We want to continue developing the content and presentation of the Quarterly Report to make sure you can find the information you want and know what we are doing.

CITY VITALS

City update – by the numbers

DYNAMIC CENTRAL CITY

| | | |
|------------------------------------|------------------------|------------------------------------|
| Unemployment | 8.4% | Up 0.9% this quarter |
| GDP (Year to December) | \$13.57 billion | Up 1% on the previous year |
| Guest nights (year to August 2012) | International: 664,067 | Down 16% on same quarter last year |
| | Domestic: 1,361,250 | Up 2.4% on same quarter last year |

CONNECTED CITY

| | | |
|---------------------------------|--|---|
| Airport arrivals and departures | Total passengers 5.37 million (year end March) | International: Up 1% on the previous year Domestic: Up 4% on the previous year |
| CBD free wi-fi | Over 211,000 sessions in March | Reaching over 200,000 sessions was achieved for the first time this quarter |

ECO CITY

| | | |
|------------------------------|---|---------------------------------------|
| Fuel sales | 622 litres per resident in this quarter | Up 4.2% on the same quarter last year |
| Kerbside recycling collected | 14.93kg per resident | Down 2% on previous quarter |

PEOPLE-CENTRED CITY

| | | |
|---------------------------------------|--|--|
| Labour force participation (Regional) | 69.4% | Down 3% on same quarter last year |
| Crime (December – Wellington region) | Serious assaults: 3866 (down 6.9% on previous year); Burglary: 12,734 (down 17% on previous year) | |
| Libraries | 1,758,550 sessions year to date. | Website visits are growing and have almost eclipsed physical visits. |

CITY PROGRESS

As part of our 2012/22 Long-Term Plan, the Council agreed on three priorities: that Wellington should be:

- an inclusive place where talent wants to live
- a resilient city
- a well-managed city.

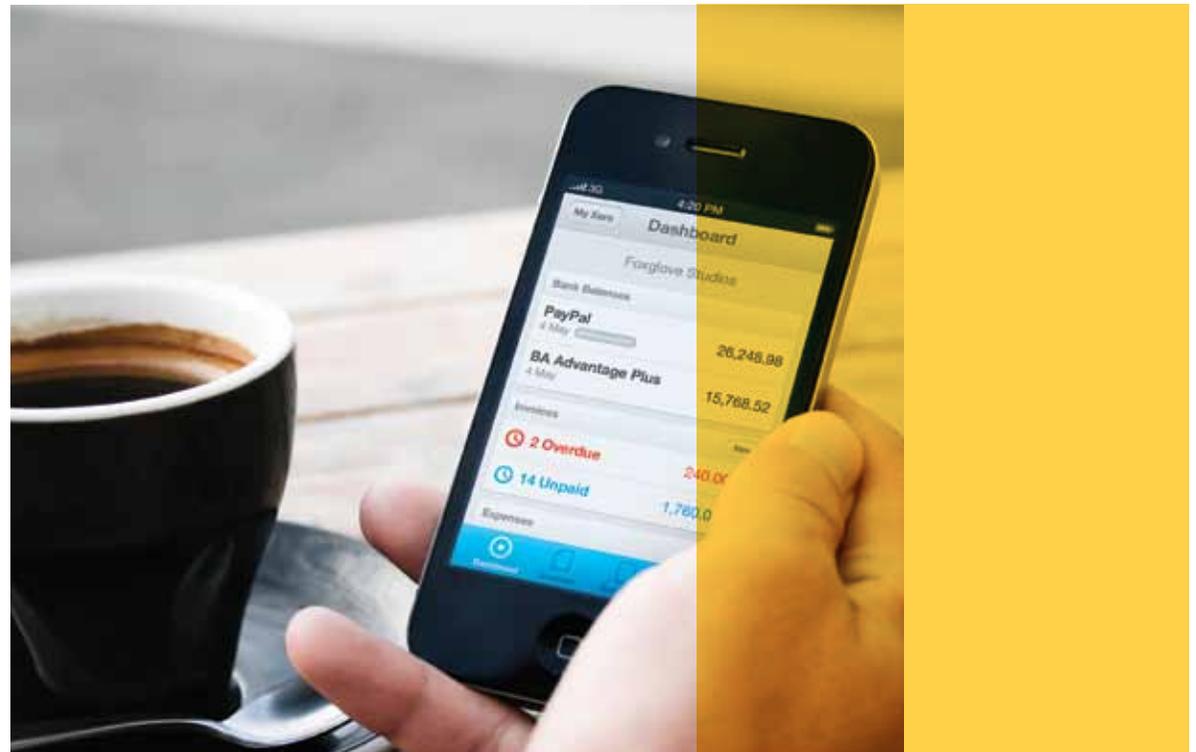
These priorities were adopted to address immediate issues we faced around earthquake-preparedness and rates affordability. They also guide us to take important steps towards achieving the strategic results and long-term vision set out in **Wellington Towards 2040: Smart Capital**, our long-term strategic plan.

To achieve these three priorities we have focused our activities on five areas identified as important during our 2012/22 Long-Term Plan consultation with you. They are:

- growing our economy
- building resilience to earthquakes
- transport
- maintaining Wellington as a place where talent wants to live
- working smarter.

The following section outlines what the Council has done in the past quarter in these five important areas.

Our priorities guide us to take important steps towards achieving the strategic results and long-term vision set out in Wellington Towards 2040: Smart Capital, our long-term strategic plan.



GROWING OUR ECONOMY

Destination Wellington

The Destination Wellington programme is well into the establishment phase. To date extensive research has been completed involving tourists, skilled migrants, international students and business investors. This research has been incorporated into the development of the marketing and brand work by PWT.

PWT have also started work on telling the “Wellington Story”. This defines Wellington’s competitive advantage and communicates Wellington’s strengths internationally to targeted tourists, migrants, international students, businesses and investors in specific markets and specific sectors.

A RFP for the digital platform for Destination Wellington is underway.

A results framework for the programme of work is complete. This covers expected outcomes and deliverables for the next three years.

Governance and reporting for the programme is now operational.

“Open for Business”

We will develop an action plan for “Open for Business” which is another key focus area of the Economic Development Strategy. As part of this programme we will engage with key businesses across the city to further our understanding about the challenges and opportunities they face.

WellCan Forum

On 4 March, almost 200 Wellington business owners gathered at the Michael Fowler Centre to find out how they could work on the \$30 billion-plus rebuild in Christchurch.

Business owners came to listen to both Christchurch-based businesses and Wellington companies with offices in Christchurch. They learned of the collaboration experiences around rebuild activity and about an informal networking session to connect and explore opportunities.

The event was jointly organised by the City Council, the other councils in the region, the Wellington Employers’ Chamber of Commerce, Grow Wellington, Brendon Burns and Associates MACRO, ANZ, and the Canterbury Employers Chamber of Commerce (CECC).

Shed6/TSB Bank Arena

Positively Wellington Venues launched a new sales brochure for Shed 6/TSB Bank Arena during the quarter to drive bookings for the ‘new’ venue. This has created great interest in the venue and resulted in over 50 enquiries and bookings largely concentrated in the 2013/14 and 2014/15 years.

Lower Cuba Street

As part of the continuing Golden Mile upgrade, lower Cuba Street was upgraded to a ‘shared space’ in 2011. These spaces are shared by pedestrians and vehicles and give pedestrians right of way. We completed an evaluation of this upgrade using intercept surveys, behavioural observations, interviews and analysis of retail data.

Results of the evaluation show that economic performance in the area has improved, with tenancies increasing, and analysis of merchant transactions showing that economic activity in lower Cuba St is higher now than it was before the upgrade, and currently growing faster than the rest of the CBD.

However, visual analysis of the space showed that several elements detract from the ‘shared space’ aspect of the street. This flowed through into pedestrian behaviours in which only a minority of street users were using the centre of the street for pedestrian purposes.

BUILDING RESILIENCE TO EARTHQUAKES

Earthquake-prone buildings

In February, Wellingtonians were invited to a meeting to discuss changes proposed by the Government for how the country deals with earthquake-prone buildings.

The meeting organised by the Ministry of Business, Innovation and Employment (MBIE) in conjunction with the Council, outlined the Government's proposed nationwide approach to dealing with such buildings.

The Government's proposed approach would require all non-residential and multi-unit, multi-storey residential buildings to have seismic capacity assessments done within five years. Owners of buildings identified as earthquake-prone would then have up to 10 years to strengthen or demolish them.

This would mean that all quake-prone buildings would be dealt with within a maximum of 15 years compared with the national average of 28 years under the present system.

Wellington Rocks, Earthquake Building Safety Expo

Planning continued for a 'Wellington Rocks' Earthquake Building Safety Expo to be held on 26 and 27 April in the Town Hall. With the support of MBIE and others, we expect around 50 suppliers of products to the earthquake strengthening industry to be on display for the benefit of building owners, professional sector, home owners and the public.

Our existing policy would see all at-risk buildings in Wellington dealt with within 20 years and high-priority buildings strengthened within 10 years.

Civil defence and emergency management

The draft CDEM Group Plan is out for consultation with the public and a series of meetings throughout the region have been planned for later in April.

Town Hall

Work continued on the Town Hall strengthening project. The design review will be completed in the next quarter along with the review of the foundation design.





'Wellington Rocks'
Earthquake Building
Safety Expo will
be held on 26 and
27 April



TRANSPORT

Cycle stop boxes

Wellington is going green for cyclists with ‘advanced stop boxes’ appearing at more intersections around the central city.

These road markings – a green square with a white cycle symbol – are designed to give cyclists a safer place to stop at the traffic lights, ahead of other vehicles. For motorists, the stop boxes mean that they have to stop slightly further back than usual, and be aware that cyclists may come through to the front of the queue. The message for cyclists is: if you can safely get through the traffic to a stop box when you’re riding, then please use it.

We’re also making it easier for cyclists to find the sensor in the road that changes the lights to green when a vehicle is waiting. There are white cycle symbols and diamonds painted in a line on the road, so cyclists can stop their bike on the diamonds for a green light, or look for a black ‘cut out’ square in the road, and position their bike along one of the cuts.

These initiatives support the objectives in our Cycling Policy (2008) including improving cycle safety and convenience. This work is 54% funded by the New Zealand Transport Authority (NZTA).

Central City Network Operating Framework

We have worked closely with NZTA to develop a central-city network operating framework that defines the key roles of the various parts of the transport network and how the network can best meet the needs of users. Additionally we are working with NZTA on optimising our technical resources in regard to managing the network – ensuring it remains efficient is a key priority in our transport strategy.



School travel safety

Some 25 schools in the city have signed a formal commitment with the Council to work together to improve road safety. This quarter there was interest from another four schools to become part of this programme. We installed a new Kea crossing on Campbell Street in Karori for Karori Normal School pupils. We are working closely with Lyall Bay School, Evans Bay Intermediate and Khandallah School to continue working on road safety improvements via engineering and education measures. This work is 54% funded by NZTA, and contributes to the objectives of the Council's Walking Policy (2008) including improving pedestrian safety and increasing the number of walking trips to and from educational centres.

Ngauranga-to-Airport corridor plan

This quarter we continued to provide technical advice on the transport aspects of the proposed Memorial Park cut-and-cover scheme. These include design and construction of the proposed southern access lane; traffic congestion/delay assessments following the opening of the new Buckle Street diversion, and design of a new intersection to take.

Basin Reserve

In December 2012, the Council resolved to take another look at possible alternatives to the Basin Bridge proposal. Councillors received a briefing on the subsequent Basin Alternatives report on 28 February 2013.

The Basin Alternatives report considered options against a wide range of criteria, including:

- Urban form
- Transport
- Economic impacts
- Strategic fit
- Potential to mitigate harmful impacts

Council agreed that none of the roading alternatives evaluated in the review were assessed as better than the Basin Bridge overall in terms of cost, transport and urban form outcomes.

We will continue to work on mitigation for when NZTA lodge its submission.

Wellington Public Transport Spine Study

We continued to provide technical input in to the Wellington Public Transport Spine Study which commenced in 2011. This included advice on the location of bus lane and rail track corridors for the three options under consideration – two bus options and one light-rail option through the CBD and along Adelaide Road to Newtown, with an optional extension to the south and east beyond Wellington Hospital because of the potential strong demand in these areas.

The study is being carried out jointly by the Council, GWRC and NZTA. The final study report is expected to be released in June, after the local government elections, after which a formal public consultation will be carried out to inform a decision on the best option for the corridor.

Planning to ensure that improvements meet future needs and improving the bus network, are key priorities of our transport strategy.

MAINTAINING WELLINGTON AS A PLACE WHERE TALENT WANT TO LIVE

Neighbours Day

We supported many events celebrating Neighbours Day. This was held on 24 March and is a nationwide event aiming to build stronger communities. We encouraged people to get to know those who live next door, as well as celebrating communities.

Summer City

We hosted over 80 events throughout the summer months. Highlights of the programme included ASB Gardens Magic, Films by Starlight, Pasifika Festival, Waitangi Day celebrations, Island Bay Festival, Bowl-a-rama skate festival, Chinese New Year parade, NZCT Dragon Boat Festival, the Newtown Festival and the South East Asian Night Market. We ran a satisfaction survey over these months receiving 632 responses, giving a response rate of 51%. Of these respondents 98% were satisfied overall, with almost a third (28%) extremely satisfied; and 99% indicating they would attend a summer city event again.

We hosted a number of events including the Hertz Sevens. It was again a great success with over 21,000 visitors in Wellington specifically for the event.

“It is a unique opportunity to recognise that neighbourliness is the foundation of a healthy community”

Mayor Celia Wade-Brown



Three new pools for health, safety and fitness

In January, we opened three new pool facilities.

- a hydrotherapy pool at the Wellington Regional Aquatic Centre
- a new learners' facility at Karori Pool
- Berhampore School's new pool enclosure – a result of the Council's School Pools Partnership Fund.

The openings were part of a \$12 million investment by the Council in aquatic facilities around the city, and deliver a major boost for pain relief, rehabilitation, swim safety and community partnerships.

Envirocomp

We are now working in partnership with New Zealand's first nappy composting service, Envirocomp. We have offered to subsidise the first 5200 nappy recycling bags sold in the city, and have a drop off point at the Southern Landfill recycling centre. More than 1000 bags have been subsidised in the first two months.



These new improved facilities provide health and fitness benefits for all Wellingtonians

WORKING SMARTER



Our Capital Voice

We have established an online engagement panel for members of the public to participate in discussions, polls and surveys relating to the activities of the Council, called Our Capital Voice. People are able to opt into the panel, and it is expected numbers participating in discussions in the initial stages may be low but will build over time. To date more than 300 people have registered.

Welly Walks iPhone application

People can explore Wellington's tracks and walkways using a free Welly Walks iPhone application. The app features our major walkways: City to Sea, Eastern, Northern, Skyline and Southern Walkway.

Big Data – Changing Place

We showcased, at the newly reopened National Library, the smart technology we are using to plan a better future for Wellington. This is about collecting and analysing data to better understand changes in the environment and how we can plan the city in response.

Big Data includes aerial photographs and digitised maps as well as the Council's realistic 3D models used by extSpace to present a spectacular three-panel 'fly-through' animation of the city.

The animation provides a view of Wellington in 1840, how the city looks today and an imagined Wellington in 2100. All three screen panels sweep around the city together so people can clearly see the changes to date, and possible changes to come.

Computer hub

This quarter we have enhanced our on-site community development initiatives including the addition of a third computer hub and the launching of Primetimers, a positive aging programme for over-80s. This aligns with our Digital Inclusion strategy.

KEY VARIANCES

This section highlights some of the areas where we did not achieve what we had planned. In each case we explain why that happened and identify what we are going to do to address it. It is not a complete list of all variances for the quarter (these can be found in each activity area) but includes the most significant variances based on cost, degree of variance and public impact.



KEY PROJECT AND PROGRAMME VARIANCES

Swimming Pools

Attendance at Council swimming pools has been down this quarter, with the exception of Khandallah and Thorndon pools. At Karori Pool the attendance target assumed the new teaching pool would have been available from the beginning of the financial year, but it only become available for use in February. Attendance at Keith Spry Pool was 27% less than target. It had been assumed that a significant number of learn to swim customers from Tawa would move to Keith Spry Pool during the closure, however this has not occurred.

Tawa Pool had the largest variance from target (63%) however the Pool was closed from October 2011 to mid-November 2012 due to earthquake strengthening work. The target assumed the pool would open on 1 July 2012 and the extended closure has created an adverse variance which will remain for the remainder of the year.

Additional marketing and promotional resources are being used to improve this overall.

International guest nights

The number of international guest nights is down 16% this quarter compared to the same quarter last year. However, Rugby World Cup 2011 had a significant impact on the comparability of tourism data in Wellington. For the four months before, during and after the RWC 2011 (August–November) international guest nights were up 39%. As a comparison to a ‘normal’ year, for the same period to January 2013 international guest nights are only down 2.9%.

Positivity Wellington Tourism is confident that this forecast deficit will close as we get closer to the June year-end.

International relations

The Wellington Mayoral delegation to China was planned for April and we worked together with our sister cities overseas, Te Papa, Royal New Zealand Ballet, Wellington businesses such as Weta, Wellington Architects Collaborative and education providers on the visit. However, the visit was cancelled by Wellington because of other priorities in the work programme such as the Internal Relations Policy update. We maintained our relationships and supported Wellington businesses to continue their programme in China by providing them with introductory letters from the Mayor where relevant, setting up business meetings with Council contacts where required, providing contacts for translators, briefing on cultural etiquette and expectations, and following up with businesses on the outcomes of their trip.

We are planning a Mayoral delegation to China in 2014, and we will identify significant events taking place in China that align with our updated International Relations policy.

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KEY PERFORMANCE MEASURE VARIANCE

| Activity | Measure | YTD | YTD (target) | Variance | Comment |
|----------|--|-----|--------------|----------|---|
| 2.4 | Harbour/coastal sites where faecal coliform bacteria counts are less than 2000 per 100 mls (%) | 54% | 80% | (32%) | All sampling points had high readings for faecal coliforms on the samples taken mid-March, which followed the first rain after an extended dry period. The rain was heavy enough to trigger runoff washing off all the accumulated 'pollution' from the dry period. In all sites, the counts for both bacteria dropped after 1–2 days to within guideline levels. |
| 4.1 | Occupancy of Toi Poneke (%) Casual Room | 20% | 65% | (68%) | There have been fewer casual users than budgeted due to artists finding it financially difficult in the current environment. We continue to look at ways to increase the casual room usage within existing funding. |
| 6.2 | Resource consent applications received | 566 | 656 | (13%) | 41 resource consents were received this month which is much lower than anticipated and at odds with the trends shown over the last three years (74 in March 2011; 71 in March 2012). |
| 7.1 | Kilometres of roads being resurfaced (Chipseal) | 34 | 40 | (16%) | The contract cost of chipseal has increased from the time the budget was set. As a result fewer kilometres can be completed within the financial limits of the programme. We will complete 39kms by year end. |

CONSOLIDATED FINANCIAL OVERVIEW

Introduction

The Council's consolidated financial position and performance for the period 1 July 2012 to 31 March 2013 is presented in this section. This includes a Statement of Financial Performance, a Statement of Financial Position, a Statement of Borrowings and an analysis by strategy area.

Positive numbers in the financial statements indicate a favourable variance from budget and negative numbers (represented by brackets) indicate an unfavourable variance from budget.

Detailed discussion in respect of strategy area revenue and expenditure for each activity is contained within the body of this report.

| STATEMENT OF FINANCIAL PERFORMANCE | YTD Actual 2013-\$'000 | YTD Budget 2013-\$'000 | YTD Variance 2013-\$'000 | Full Year Budget 2013-\$'000 |
|--|------------------------|------------------------|--------------------------|------------------------------|
| Rates Income | 179,795 | 180,532 | (737) | 240,709 |
| Income from Activities | 4,166 | 1,781 | 2,384 | 11,661 |
| Lease Income | 24,119 | 23,339 | 780 | 31,213 |
| Interest Income | 389 | 7 | 383 | 10 |
| Other Income | 87,986 | 95,821 | (7,835) | 128,579 |
| Development Contributions | 3,827 | 3,750 | 77 | 5,000 |
| Total Income | 300,282 | 305,230 | (4,948) | 417,173 |
| General Expenses | 66,507 | 68,281 | 1,774 | 90,976 |
| Personnel Expenditure | 124,454 | 128,194 | 3,741 | 174,756 |
| Depreciation and Loss/Gain on Sale | 15,522 | 16,985 | 1,463 | 22,646 |
| Financing Expenditure | 66,130 | 67,861 | 1,731 | 91,370 |
| Total Expenditure | 272,612 | 281,321 | 8,709 | 379,749 |
| Net operating surplus/(deficit) | 27,670 | 23,909 | 3,762 | 37,424 |

The year-to-date net operating surplus of \$27.7million is \$3.8 million higher than the budgeted surplus of \$23.9million. This favourable variance is attributable to a combination of factors as outlined below.

Income

Year-to-date our total income is under budget by \$4.9 million. This is due to the following factors:

- Our rates income is \$767,000 under budget largely due to our water meter rates income being behind in part due to the water conservation measures during the third quarter.
- Other income is \$2.4 million ahead of budget largely due to unbudgeted roading and water assets vested to the Council by developers
- Lease income is ahead of budget by \$780,000 largely due to increased housing rental income (higher occupancy rates and reduced void times).
- The \$383,000 interest income variance is due to the unbudgeted revaluation of our interest rate hedge contracts.
- Income from activities is \$7.8 million under budget largely due to timing differences in the Housing Upgrade Programme and delays in the renewals programme. Other material areas where we have a shortfall in our income are parking enforcement, libraries overdue fines, user fees and charges and landfill levies.

Expenditure

Year-to-date our total expenditure is under budget by \$8.7 million. This is due to the following factors:

- Personnel expenditure is \$1.8 million under budget predominantly due to staff vacancies and related costs.
- General expenses are under budget by \$3.7 million in part due to timing differences on our programme expenditure budget of \$175 million and in part due to some permanent savings to offset the reduced income noted above.
- Financing expenditure is under budget by \$1.5 million due to our lower debt levels resulting from delays in our capital investment programme, early receipt of our HUP funding and favourable interest rates.
- Depreciation is also under budget by \$1.7 million mainly due to the delays in our capital investment programme.

| STATEMENT OF FINANCIAL POSITION | YTD Actual 2013—\$'000 | YTD End 2012—\$'000 |
|---------------------------------|------------------------|---------------------|
| Current assets | 88,831 | 71,656 |
| Non-current assets | 6,508,098 | 6,480,586 |
| Total assets | 6,596,929 | 6,552,242 |
| Current liabilities | 213,145 | 224,676 |
| Non-current liabilities | 299,908 | 272,734 |
| Total liabilities | 513,053 | 497,410 |
| Net assets / equity | 6,083,876 | 6,054,832 |

- The increase in current assets primarily reflects increased short term investments offset by lower prepayments and accrued income.
- The increase in non-current assets primarily reflects the capitalisation of new assets offset by increased depreciation.
- The decrease in current liabilities primarily reflects lower payables, reduced short-term borrowings and utilised provisions.
- The increase in non-current liabilities primarily reflects the increase in long term borrowing.

| HEALTH AND SAFETY CAPITAL CONSOLIDATED FUND | YTD Actual 2013 \$'000 | YTD Budget 2013 \$'000 | YTD Variance 2013 \$'000 | Full Year Budget 2013 \$'000 |
|---|------------------------|------------------------|--------------------------|------------------------------|
| Actual | 0 | 47 | 47 | 269 |
| Total Health and Safety Expenditure | 0 | 47 | 47 | 269 |

- While no spend has yet occurred, \$46,000 is committed out of the total consolidated fund of \$269,000 and will be spent by 30 June.

BORROWINGS

- Total committed borrowing facilities as at the end of March were unchanged at \$429 million. Our liquidity ratio is just above 111% compared to the policy minimum of 110% and therefore we have no immediate need to add further facilities unless advantageous.
- Total net borrowings at 31 March 2013 were \$334 million giving liquidity headroom of \$95 million. Gross borrowings were \$384 million and at the end of March we held \$50 million in bank deposits arising from the Housing grant, rates income and pre-funding.



Table 1: Statement of Borrowings

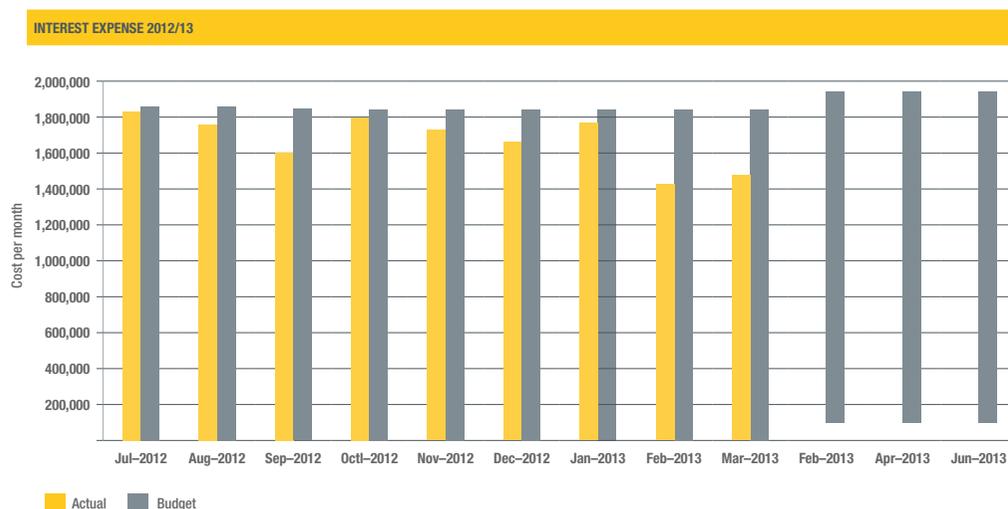
| STATEMENT OF BORROWINGS | | |
|---|-------------------------|----------------|
| | YTD 31 December 2013 | 30 June 2013 |
| 31 December 2013 | \$'000 | \$'000 |
| Facilities at start of year | 411,000 | 391,000 |
| New/matured facilities (net) | 18,000 | 20,000 |
| Facilities at end of period | 429,000 | 411,000 |
| Borrowings at start of year | 337,760 | 310,000 |
| Change in core borrowing + (-) | 8,931 | 27,760 |
| Repayment of loans + (-) | | |
| Change in working capital requirement + (-) | (12,691) | |
| Net borrowings at end of period | 334,000 | 337,760 |
| Plus unutilised facilities | 95,000 | 73,240 |
| Total Borrowing Facilities Available | 429,000 | 411,000 |

*Note: 'Borrowing Facilities excludes \$5m of uncommitted funding lines

*Facilities do not include short term commercial paper or deposits

Cost of funds

- Net interest for the month of March was \$1.68 million compared to the plan of \$1.88 million – a favourable variance of \$0.2 million for the month. YTD net interest is \$1.42 million favourable to plan. The year-end forecast is for a favourable variance of \$1.5 million, with the risk weighted towards the favourable variance being higher.
- The favourable variance in net interest costs is due to lower debt levels, with the capex underspend YTD at \$35.8 million (28%), and lower interest rates. The level of capex underspend will largely determine our year-end debt position budgeted at \$374 million in the Annual Plan. At the same time last year the capex underspend was \$26.2 million. We are forecasting the year-end position to be an underspend of \$23.5 million (14%) which implies a significant catch-up over the balance of the year.



Year to date net interest is \$870,000 favourable to plan.

Treasury policy compliance

At 31 December 2012 all of the core policy compliance requirements were achieved as shown in Table 2 below.

Table 2: Prudential Treasury Limits

Prudential Treasury Limits

| Prudential limits | Policy Limit | Actual | Compliance |
|--|--------------|--------|------------|
| Borrowings as a % of equity | <10% | 5.3% | Yes |
| Borrowings as a % of income | <150% | 80.2 % | Yes |
| Net interest as a % of annual rates income | <20% | 9.0% | Yes |

Notes:

* Equity is based on the 30 June 2012 annual report Equity

* Net interest, Annual Rates and Income are based on 2012/13 annual plan

| Interest rate risk control limits (interest rate exposure) | Policy Limit | Actual | Compliance |
|--|--------------|--------|------------|
| Fixed interest proportion | 50%–95% | 82% | Yes |
| Broken down as follows: | | | |
| 1–3 year bucket | 20%–60% | 23% | Yes |
| 3–5 year bucket | 20%–60% | 21% | Yes |
| 5–10 year bucket | 20%–60% | 56% | Yes |

| Liquidity/funding risk (access to funds) | Policy Limit | Actual | Compliance |
|--|--------------|--------|------------|
| Liquidity/funding risk (access to funds) | >110% | 111% | Yes |
| Broken down as follows: | | | |
| 0–3 year bucket | 20%–60% | 53% | Yes |
| 3–5 year bucket | 20%–60% | 28% | Yes |
| 5–10 year bucket | 15%–60% | 19% | Yes |

Notes:

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

Market strategies

- No change to our market strategies
 - We continue to maintain our strategy of pre-funding maturing wholesale debt in advance of maturity dates which results in us holding increased levels of deposits. The next debt maturity is in September.
 - To maintain liquidity levels we may need to add some additional debt facilities in May/ June.
 - We continue to maintain a high degree of hedging in the greater than five year term where long term hedging at around 4% can still be attained. During March we added \$11 million of 10-year hedging at an average of 4.25%.

Funding profile

No change.

- Bank funding lines – \$145 million (undrawn)
- Wholesale debt term issuances – \$279 million.

In addition to the committed facilities above we have issued \$100 million of 90-day commercial paper and at month-end held \$50 million in bank deposits.

Borrowings and investments

The table to the right illustrates the net borrowings vs investments position as at 31 March.

NET OPERATING EXPENDITURE BY STRATEGY AREA

| Net Operating Expenditure by Strategy Area | YTD Actual Net Expenditure 2013 \$000 | YTD Budget Net Expenditure 2013 \$000 | YTD Variance Net Expenditure 2013 \$000 | Budget CY (Revised – Final) Full Year \$000s |
|--|---------------------------------------|---------------------------------------|---|--|
| Governance | 7,256 | 7,498 | 242 | 14,902 |
| Environment | 61,593 | 62,782 | 1,189 | 125,125 |
| Economic Development | 9,209 | 9,458 | 249 | 19,404 |
| Cultural Wellbeing | 8,054 | 8,661 | 607 | 16,852 |
| Social and Recreation | 15,909 | 13,844 | (2,065) | 26,825 |
| Urban Development | 6,335 | 7,334 | 999 | 15,093 |
| Transport | 9,556 | 10,004 | 448 | 20,338 |
| Total Strategy Area | 117,912 | 119,581 | 1,669 | 238,541 |
| Council | (133,896) | (132,670) | 1,226 | (275,964) |
| Net Operating Expenditure | (15,984) | (13,089) | 2,895 | (37,424) |

Detailed discussion in respect of strategy area revenue and expenditure for each activity is contained within the body of this report.

