

Strategy	Activity Group	Activity	Activity Description	2022/23 budget (\$000)
	2.2	1042	EV Charging and Home Energy Audits	0
			Income	
			Operating Costs	60
			<b>Total - 1042 EV Charging and Home Energy Audits</b>	<b>60</b>
			<b>Total - 2.2 Waste reduction and energy conservation</b>	<b>1,144</b>
	2.3	1044	Water - Network Maintenance	10,616
			Operating Costs	
			<b>Total - 1044 Water - Network Maintenance</b>	<b>10,616</b>
		1045	Water - Water Connections	(47)
			Income	
			Operating Costs	0
			<b>Total - 1045 Water - Water Connections</b>	<b>(47)</b>
		1046	Water - Pump Stations Maintenance - Operations	730
			Operating Costs	
			<b>Total - 1046 Water - Pump Stations Maintenance-Operations</b>	<b>730</b>
		1047	Water - Asset Stewardship	41,032
			Operating Costs	
			<b>Total - 1047 Water - Asset Stewardship</b>	<b>41,032</b>
		1049	Water - Monitoring and Investigation	858
			Operating Costs	
			<b>Total - 1049 Water - Monitoring and Investigation</b>	<b>858</b>
		1051	Water - Bulk Water Purchase	21,519
			Operating Costs	
			<b>Total - 1051 Water - Bulk Water Purchase</b>	<b>21,519</b>
			<b>Total - 2.3 Water</b>	<b>74,708</b>
	2.4	1052	Wastewater - Asset Stewardship	(863)
			Income	
			Operating Costs	35,208

Strategy	Activity Group	Activity	Activity Description	2022/23 budget (\$'000)
		<b>Total - 1052 Wastewater - Asset Stewardship</b>		<b>34,345</b>
		1055	Wastewater - Network Maintenance	Operating Costs
		<b>Total - 1055 Wastewater - Network Maintenance</b>		<b>8,729</b>
		1058	Wastewater - Monitoring and Investigation	Operating Costs
		<b>Total - 1058 Wastewater - Monitoring and Investigation</b>		<b>920</b>
		1059	Wastewater - Pump Station Maintenance-Ops	Operating Costs
		<b>Total - 1059 Wastewater - Pump Station Maintenance-Ops</b>		<b>1,228</b>
		1060	Wastewater - Treatment Plants	Operating Costs
		<b>Total - 1060 Wastewater - Treatment Plants</b>		<b>29,411</b>
		1219	Sludge Minimisation	Operating Costs
		<b>Total - 1219 Sludge Minimisation</b>		<b>108</b>
	<b>Total - 2.4 Wastewater</b>			<b>108</b>
	2.5	1063	Stormwater - Asset Stewardship	Operating Costs
		<b>Total - 1063 Stormwater - Asset Stewardship</b>		<b>74,742</b>
		1064	Stormwater - Network Maintenance	Operating Costs
		<b>Total - 1064 Stormwater - Network Maintenance</b>		<b>28,798</b>
		1065	Stormwater - Monitoring and Investigation	Operating Costs
		<b>Total - 1065 Stormwater - Monitoring and Investigation</b>		<b>4,517</b>
		<b>Total - 1065 Stormwater - Monitoring and Investigation</b>		<b>4,517</b>
		<b>Total - 1065 Stormwater - Monitoring and Investigation</b>		<b>355</b>
		<b>Total - 1065 Stormwater - Monitoring and Investigation</b>		<b>355</b>

Strategy	Activity Group	Activity	Activity Description	2022/23 budget (\$000)
		1067	Drainage Maintenance	(196)
			Operating Costs	1,455
		<b>Total - 1067 Drainage Maintenance</b>		<b>1,259</b>
		1068	Stormwater – Pump Station Maintenance - Ops	133
		<b>Total - 1068 Stormwater – Pump Station Maintenance-Ops</b>		<b>133</b>
		<b>Total - 2.5 Stormwater</b>		<b>35,062</b>
	2.6	1069	Zealandia	1,572
			Operating Costs	
		<b>Total - 1069 Zealandia</b>		<b>1,572</b>
		1070	Wellington Zoo Trust	6,183
			Operating Costs	
		<b>Total - 1070 Wellington Zoo Trust</b>		<b>6,183</b>
		<b>Total - 2.6 Conservation attractions</b>		<b>7,756</b>
				<b>244,001</b>
	<b>Total - 2 Environment</b>			
Economic Development	3.1	1073	WellingtonNZ Tourism	6,210
			Operating Costs	
		<b>Total - 1073 WellingtonNZ Tourism</b>		<b>6,210</b>
		1074	Events Fund	5,265
			Operating Costs	
		<b>Total - 1074 Events Fund</b>		<b>5,265</b>
		1075	Wellington Venues	(10,661)
			Income	
			Operating Costs	14,889
		<b>Total - 1075 Wellington Venues</b>		<b>4,228</b>

# Whakamāramatanga pūtea

## Financial summary

### Operating expenditure

The cost of delivering and running Council services in 2022/23 is forecast to be \$726m or \$8.99 per resident per day. This is a \$119m increase on 2021/22, which primarily relates to increased depreciation due to new assets and a property revaluation, and inflation on contracts and personnel costs.

Operating spending for 2022/23

# \$726m

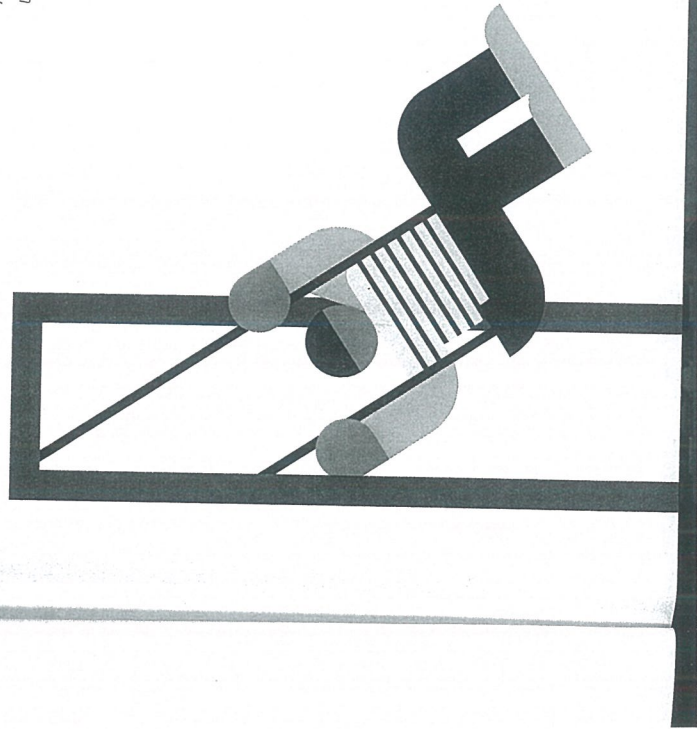
The

graphic illustrates the proportion of planned operational expenditure in each of our strategic activity areas. Our priority areas ensure we allocate spending based on what is important. The biggest area of organisational expenditure is Environment and Infrastructure at 38 percent of the total gross operating expenditure of \$726 million; Social and Recreation and Transport follow at 21 percent and 15 percent respectively; Economic development, Urban development, Council organisational projects, Arts and Culture, and Governance follow, each with under 10 percent of total operational expenditure.

Operating expenditure (excl. revenue)



- Governance
- Environment and infrastructure
- Economic Development
- Cultural Wellbeing
- Social and Recreation
- Urban Development
- Transport
- Council



### Capital expenditure

Capital expenditure is used to renew or upgrade existing assets or to build new assets to provide a higher level of service or account for growth. Our assets include buildings, roads and footpaths, water, stormwater and wastewater pipes, libraries, swimming pools, and sportsfields.

We have a significant capital expenditure programme in place, with \$421m planned for 2022/23. The 2022/23 programme includes significant investment in our water, stormwater, wastewater and transport networks, and multi-year projects to earthquake strengthen the Town Hall and St James Theatre, and the city's new Convention and Exhibition Centre.

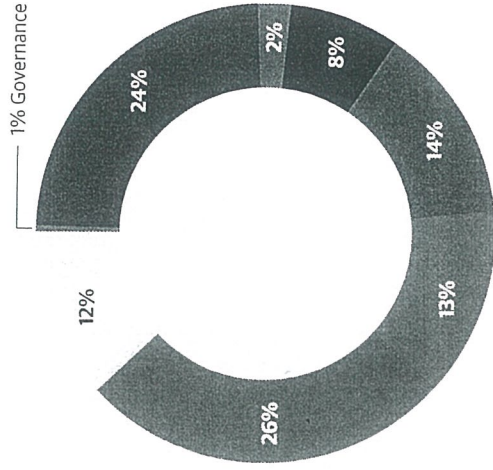
The \$421m of capital expenditure for 2022/23 is an increase in what was included in the 10-Year Plan (\$363m). The variances primarily relate to the refinement of costs and timings on major building and water projects.

### Capital spending for 2022/23

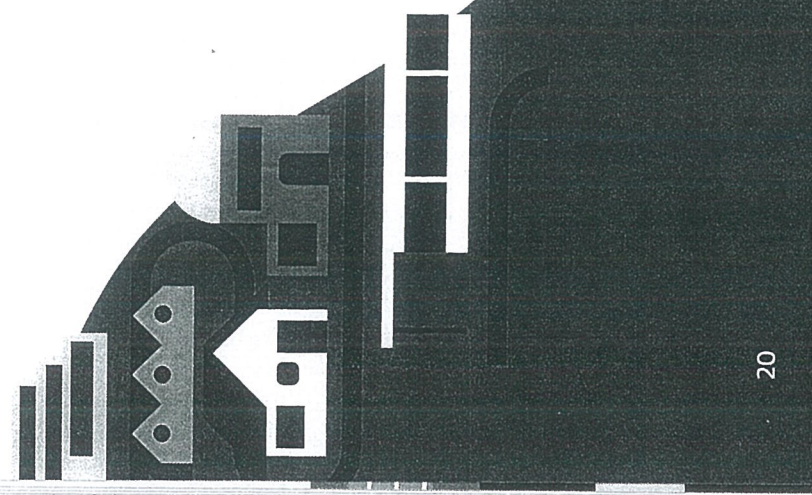
# \$421m

The graphic illustrates the proportion of planned capital expenditure in each of our activity areas. Our Priority areas ensure we allocate spending based on what is important. The biggest area of capital expenditure is Transport at 26 percent of the total capex of \$422 million; Environment and Infrastructure, Social and Recreational, and Urban Development follow at 24, 14 and 13 percent respectively. Cultural Wellbeing, Economic Development and Governance follow each with under 10 percent of total capital expenditure. Urban Development are higher than usual this year, because of construction costs for the Town Hall and St James Theatre seismic strengthening, and the new Convention and Exhibition Centre.

### Capital expenditure



- Governance
- Environment and infrastructure
- Economic Development
- Cultural Wellbeing
- Social and Recreation
- Urban Development
- Transport
- Council



### Balanced budget

During the period of consultation on the 2022/23 Annual Plan, new information on the increase in value on the water, sewerage and stormwater networks (commonly referred to as Three Water assets) was completed and this saw an increase in the revaluation of these assets by 80% since the last revaluation two years ago. The depreciation on these assets would normally be fully funded by rates but occurred after consultation of the 2022/23 Annual Plan, and would have seen an additional 9% increase on rates that hadn't been consulted on. Council has resolved to instead fully fund the renewal of the Three Waters assets for 2022/23 and 2023/24 financial years, rather than fully fund the increased level of depreciation.

### Where the funding comes from

The Council uses several mechanisms to fund our operational and capital expenditure. Rates are expected to fund 58.5 percent of our operational expenditure. We also collect revenue from fees and user charges, grants and government subsidies and other sources such as interest and dividends from investments. Capital expenditure is funded through borrowings, grants and government subsidies, and development contributions for projects that aim to meet the demands from growth.

2022/23 includes a range of increases to fees and charges to maintain the balance between how much is funded by users of some services and how much is funded by rates, as outlined in our Revenue and Financing Policy. We are expecting a total \$11m in increased revenue from fee increases, the most significant increases being in road encroachment licence fees, more information on which can be found on page 18.

### 2022/23 Sources of non-rates revenue to fund operating expenditure

The graphic illustrates the non-rates revenue to fund operating expenditure. The biggest area of non-rates revenue is Parking fees and enforcement at 21 percent of the total non-rates revenue of \$193m; Housing rents, Other revenue, Landfill fees and Building and Resource consents fees follow at 18, 16, 14, and 12 percent respectively; Property lease income, Pools, rec centres and sports-fields and Roading subsidies follow each under 10 percent of total non-rates revenue.

