

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Minutes

9:30am Thursday, 23 February 2023

Ngake (16.09)

Level 16, Tahiwī

113 The Terrace

Wellington



PRESENT

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

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting open at 9:30am and read the following karakia to open the meeting.

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

1.2 Apologies

Moved Councillor Matthews, seconded Councillor Paul

Resolved

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

1. Accept the apologies received from Pouiwi Liz Kelly for partial absence and Councillor O'Neill for lateness.

Carried

1.3 Conflict of Interest Declarations

Pouiwi Holden Hohaia declared a non-financial conflict of interest with public excluded item A.1 CCO Board Appointments and agreed not to participate in debate or vote on the item.

1.4 Confirmation of Minutes

There are no previous minutes to confirm.

1.5 Items not on the Agenda

There are no items not on the agenda.

Secretarial note: In accordance with standing order 19.1, the chairperson accorded precedence to some items of business and announced that the agenda would be considered in the following order:

- 2.1 CCO 22/23 Quarter 2 Report
- 2.2 Quarter 2 Performance Report
- 2.4 Future for Local Government Review – WCC Submission
- 2.5 Forward Programme
- 2.6 Actions Tracking
- A.1 CCO Board Appointments
- 2.3 2023/24 Annual Plan – Draft Budget

1.6 Public Participation

1.6.1 Luke Somervell

Representing Generation Zero, Luke Somervell spoke to item 2.3 2023/24 Annual Plan - Draft Budget.

(Pouiwi Liz Kelly joined the meeting at 9:42am.)

1.6.2 Isabella Cawthorn

Isabella Cawthorn spoke to item 2.3 2023/24 Annual Plan - Draft Budget.

1.6.3 Miriam Moore

Miriam Moore spoke to item 2.3 2023/24 Annual Plan - Draft Budget.

1.6.4 Andrew Lensen

Andrew Lensen spoke to item 2.3 2023/24 Annual Plan - Draft Budget.

1.6.5 Martha Jeffries

Martha Jeffries spoke to item 2.3 2023/24 Annual Plan - Draft Budget.

(Councillor O'Neill joined the meeting at 10.20am)

Secretarial note: Council-controlled organisations were given 10 minutes each to provide an update on their operations and answer questions from the members of the committee. The order of speaking was as follows:

1. Wellington Regional Stadium Trust (Sky Stadium)
2. Wellington Zoo Trust
3. Basin Reserve Trust
4. Wellington Museums Trust (Experience Wellington)
5. Karori Sanctuary Trust (Zealandia)
6. Wellington Regional Economic Development Agency Limited (Wellington NZ)
7. Wellington Cable Car Limited

Attachments

- 1 Wellington Regional Stadium Trust (Sky Stadium) Slides
- 2 Wellington Zoo Trust Slides
- 3 Basin Reserve Trust Slides
- 4 Wellington Museums Trust (Experience Wellington) Slides
- 5 Karori Sanctuary Trust (Zealandia) Slides
- 6 Wellington Regional Economic Development Agency Limited (Wellington NZ) Slides
- 7 Wellington Cable Car Limited Slides

The meeting adjourned at 10:40am and reconvened at 11:00 am with the following members present: Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohāia, Pouiwi Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young

(Councillor Paul rejoined the meeting at 11:02am)
(Pouwi Kelly left the meeting at 11:34am)
(Councillor Calvert left the meeting at 11:34am)
(Councillor Calvert rejoined the meeting at 11:43am)

2. General Business

(Councillor Young left the meeting at 11.53am)
(Councillor Young rejoined the meeting at 11.57am)
(Councillor Brown left the meeting at 12.02pm)
(Councillor Brown rejoined the meeting at 12.03pm)

2.1 CCO 22/23 Quarter 2 Report

Moved Councillor McNulty, seconded Councillor Abdurahman

Resolved

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

1. **Receive** the information.
2. **Note** the contents of the report.

Carried

(Councillor McNulty left the meeting at 12:07pm)
(Mayor Whanau left the meeting at 12.14pm)
(Mayor Whanau rejoined the meeting at 12.16pm)
(Councillor McNulty rejoined the meeting at 12:20pm)

2.2 Quarter 2 Performance Report

Moved Councillor Apanowicz, seconded Councillor Matthews

Resolved

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

1. **Receive** the Quarter 2 (Q2) Performance Report on the 2021-31 Long-term Plan (LTP);
2. **Note** the key headlines covered in the executive summary and in each section of the report;
3. **Note** this report has been brought forward by a month therefore no reporting is available for the LTP strategic work programme this period, however reporting as at 31 January 2023 will be provided to committee at their 23 March meeting. Normal reporting will occur for quarter 3;
4. **Recommend** to Council to approve an operational (opex) budget increase of \$3.3m for Wellington Water Limited in the current financial year relating to reactive maintenance (\$2m) and the Karori treatment plant (\$1.3m);
5. **Note** that as this is an in-year cost increase it cannot be rates funded and will require debt funding;
6. **Recommend** to Council to approve a capital (capex) budget increase of \$5.75m for Tākina (Wellington Convention and Exhibition Centre);
7. **Note** that as this increase relates to capital expenditure for a new investment this will require debt funding;
8. **Note** that the Pūroro Rangaranga | Social, Cultural and Economic committee on 4 August 2022 agreed to apply for Better off Funding totalling \$14.42m available to Wellington City Council;
9. **Note** that in order to provide appropriate delegation to Officers, budgeted expenditure needs to be increased for the projects agreed by Pūroro Rangaranga | Social, Cultural and Economic on 4 August 2022, this expenditure will be funded through the Better off Funding and reflected in the revenue budget;
10. **Recommend** to Council to approve the following budget changes relating to Better off Funding for the 2022/23 financial year:
 - a. Increase operational (opex) budget relating to the Subsurface Digital Twin project by \$600k;
 - b. Increase capital (capex) budget relation to the Subsurface Digital Twin project by \$73k;
 - c. Increase opex budget relating to Climate action focused community engagement by \$300k;
 - d. Note that a further budget adjustment relating to the Social Housing CHP tenant support fund will be requested through the Quarter 3 report, once the CHP establishment has been finalised; and

11. **Note** that increased revenue and expense relating to the remainder of this funding which falls outside the 2022/23 financial year will be included in the 2023/24 Annual Plan;
12. **Note** that Wellington Museums Trust (Experience Wellington) faces a significant financial challenge in the current financial year, and it is expected that Council will need to provide additional financial support for operational (opex) costs;
13. **Note** that any requirement for additional budget relating to Wellington Museums Trust (Experience Wellington) will be addressed at this Committee through the Quarter Three (Q3) report, when there is greater clarity on the overall year-end forecast position; and
14. **Note** this report supports the governance and monitoring) oversight of the LTP by the Kōrau Tōtōpū | Long-Term-Plan, Finance and Performance Committee (the LTPF&P Committee)

Carried

The meeting adjourned at 12:28am and reconvened at 1:00pm with the following members present: Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Randle, Councillor Wi Neera, Councillor Young.

2.4 Future for Local Government Review - WCC Submission

Moved Councillor O'Neill, seconded Councillor Pannett

Resolved

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

- 1) Note the release of the Future for Local Government Review Draft Report – he mata whāriki, he matawhānui.
- 2) Approve the submission, as set out in Attachment 1, on the Future for Local Government Review Draft Report – he mata whāriki, he matawhānui **with the following changes:**
 - i. **Emphasise the need to act urgently on the questions of the role of local government, its legal status, how the sector is funded, and central government's intended policy direction for the sector within a timeframe of 12 months following the 2023 General Election, setting a roadmap in partnership with local government, iwi, and other sector stakeholders, of the changes to take place over the following three years;**
 - ii. **Request that a detailed suite of funding mechanisms be submitted to government with an emphasis on making any necessary legislative changes to enable the local government sector to respond to climate change over the next 5 years.**
- 3) Agree to delegate authority to the Mayor and Chief Executive to finalise the submission, including any amendments agreed by the Kōrau Tōtōpū | Long-Term Plan, Finance, and Performance Committee, as well as any minor consequential details.

Carried

Secretarial Note: Councillor O'Neill moved the original motion with amendments (supported by officers) as marked in red.

2.5 Forward Programme

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

Officers recommend the following motion

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

1. Receive the information.

Carried

2.6 Actions Tracking

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

Officers recommend the following motion

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

1. Receive the information.

Carried

3. Public Excluded

Moved Councillor Matthews, seconded Councillor Young

Resolved

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

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

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

2. Note that, following the meeting, the information that can be released pertaining to the resolutions will be made publicly available by 23 March 2023 for the following items:

a) A1 CCO Board Appointments

Carried

Secretarial Note: Councillor Matthews moved the original motion with amendments (supported by officers) as marked in red.

The meeting went into public-excluded session at 1.19 pm.

The meeting returned from public-excluded session at 1.21 pm with the following Councillors present: Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Randle, Councillor Wi Neera, Councillor Young

Meeting Duration and Adjournment

Moved Councillor Matthews, seconded Councillor Young

Resolved

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

1. Continue the meeting beyond the six hours limit.
2. Adjourn the meeting until 9:00am Tuesday 28 February.

Carried

(Pouiwi Hohaia rejoined the meeting at 1:23pm)

The meeting adjourned at 1:24pm on Thursday 23 February and reconvened at 9:00am on Tuesday 28 February with the following members present: Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Pouiwi Hohaia (via audiovisual link), Councillor Matthews (Chair), Councillor McNulty, Councillor Randle, Councillor Wi Neera, Councillor Young.

(Councillor Paul and Councillor Pannett rejoined the meeting at 9:02am)

(Councillor O'Neill and Pouiwi Kelly rejoined the meeting at 9:04am)

(Councillor Brown rejoined the meeting at 9:08am)

(Pouiwi Kelly left the meeting at 9:20am)

(Pouiwi Kelly rejoined the meeting at 9:25am)

2.3 2023/24 Annual Plan - Draft Budget

Moved Mayor Whanau, seconded Councillor Matthews

Taunakitanga | Officers' Recommendations

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

1. Receive the information.
2. **Note** that the 2023/24 Annual Plan is year three of the 2021-31 Long-term Plan (LTP), and that year three included a rates increase that reflected significant increased investment in the city's infrastructure and services.
3. **Note** that since the 2021-31 LTP was adopted, increases in inflation, the revaluation of assets, cost of borrowing and depreciation costs have resulted in material pressure being placed on the rates starting position for the 2023/24 year.
4. **Note** that the Capital Programme for 2023/24 has already been rescheduled on 8 December 2022 by Kōrau tūāpapa | Environment and Infrastructure committee to reflect market capacity, and that the re-programming of the revised capital works programme has helped reduce the rates impact for the 2023/24 financial year.
5. **Agree** the broad approach to offset these cost pressures on the rates starting position for 2023/24 is to:
 - a) Defer any new additional funding matters to the 2024-34 LTP for consideration
 - b) Delay debt repayments (for covid related borrowing costs)
 - c) Delay leaky homes rates funded provision
 - d) Utilise some prior year accumulated surpluses
 - e) Organisational savings
 - f) Increase user fees and charges for 2023/24 in line with the Revenue and Financing Policy to ensure those that benefit from a service pay an appropriate portion of the costs.
6. In alignment with the above approach, **agree to defer** the following funding cost increase matters to the 2024 Long-term Plan for consideration:
 - ~~a) Additional \$1.1m increase for CCO operating grants (over and above 4% already included in draft 2023/24 budget)~~
 - b) Additional funding for events (\$320k OPEX)
 - c) Additional funding for grants (\$200k OPEX)
 - d) Additional funding for the Natural Environment Fund (\$100k OPEX)
 - e) Funding for a feasibility study for the Great Harbour Way - Shelly Bay Road
 - f) Funding for the Significant Natural Areas Incentive Programme
 - g) Funding for additional Town Centre Upgrades (beyond what is currently programmed).
7. In alignment with the above approach, **agree to include** the following in the draft 2023/24 Annual Plan budget funded through prior year accumulated surpluses:
 - a) Additional funding of \$2.31m OPEX for Wellington Water Ltd (\$2.0m for response/repair of drinking water leaks and \$310k to accelerate the Condition

Assessment Programme)

b) Circa Theatre support for redevelopment work (\$550k OPEX).

8. **Note** that funding to support more resource at the Linden Community Centre for community development will be funded from within existing budgets for 2023/24.

8A. **Agree to increase the CCO OPEX budget for 2023/24 by \$342k (compared to draft budget) to address cost pressures that cannot be mitigated by the CCOs as outlined in the table below:**

CCO Operating Grants	22/23 FY Budget	Current Draft AP Budget			Amended Substantive		
		% Increase	23/24 Budget	\$ Increase on 22/23	% Increase	23/24 Budget	\$ Increase on 22/23
Basin Reserve Trust Operational Grant	735,142	4%	764,548	29,406	4%	764,548	29,406
Experience Wellington Operational Grant	7,872,513	4%	8,187,414	314,901	8%	8,502,314	629,801
Experience Wellington: Space Place Operational Grant	533,821	4%	555,174	21,353	8%	576,527	42,706
Experience Wellington: Rental Grant	1,768,000	4%	1,838,720	70,720	0%	1,768,000	0
Zoo Operational Grant	3,751,894	4%	3,901,970	150,076	10%	4,127,083	375,189
Zealandia Operational Grant	1,122,105	4%	1,166,989	44,884	8%	1,211,873	89,768
WellingtonNZ Tourism Grant	6,209,757	4%	6,458,147	248,390	3%	6,396,050	186,293
WellingtonNZ Major Events Fund	5,284,589	4%	5,475,173	210,584	3%	5,422,527	157,938
Destination Wellington Fund	1,957,784	4%	2,036,095	78,311	0%	1,957,784	0
TOTAL	29,215,605	4%	30,384,229	1,168,624		30,726,706	1,511,101
Difference Between Current & Amended Substantive	342,476						

9. **Agree** not to fund the bund on Mākara Beach, based on the new evidence regarding the likely ineffectiveness of a bund as outlined in more detail in Attachment 4).

10. **Agree** the proposed changes to Fees and User Charges for community engagement as outlined in Attachment 2 and 3.

11. **Note** the draft recommended budget (as outlined in this paper) represents a proposed 12.2 percent rates increase after growth, the broad approach to offset cost pressures (outlined in recommendation 8).

12. **Note** that the organisation has budgeted and achieved savings of \$17.0m in the previous two years, with further budgeted savings in the current year (2022/23) of \$13.0m, a cumulative total of \$30.0m.

13. **Note** the projects and programmes budgets as outlined in Attachments 7 and 8. These are draft and will be finalised and presented to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee on 23 March 2023.

14. **Note** the community engagement and feedback approach to the draft 2023/24 Annual Plan as outlined in Attachment 5.

15. **Agree** in principle non-alignment to the Revenue & Finance Policy for activities that do not align. This is where these activities are within variance thresholds or in line with the position accepted during the 2021-31 LTP and 2022/23 Annual Plan.

16. **Note** that the draft 2022/23 budget and community engagement information will be presented on 23 March 2023 at Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting for consideration.

Moved Councillor Calvert, seconded Councillor Randle, the following amendment

Resolved

1. Note that the consequences of recent extreme weather events, along with the Government's changing monetary priorities and policies, are yet to be factored into the Council's Annual Plan for 2023/24.
2. Note it is likely the updated 2024-34 Long-Term Plan will need to reflect both worldwide and New Zealand changing economic and climate conditions; and that this draft Annual Plan signals further potential changes to the LTP.
3. Note elected members will continue to seek from officers further details and clarity on information contained within the draft Annual Plan during its public consultation phase.
4. Note further information is required from Wellington Water Limited to better understand the requested additional operational expenditure of approximately \$7million.
5. Request Council officers to provide the following supporting information on the Council's website with reference to the published draft annual plan:
 - a. Operating and capital expenditure account information detailing 2022/23 Annual Plan budget, 2023/24 LTP budget and proposed 2023/24 budget
 - b. Debt and surplus funded items list for 2022/23 Annual Plan budget, 2023/24 LTP budget and proposed 2023/24 budget
 - c. Interest costs savings for reduced and or delayed capital expenditure and debt-funded operational expenditure from the identified savings.
6. Note given the recent changes in economic conditions that the following amendments for savings will have additional unquantified benefits for governance, management and staff which will enable them to focus on a more targeted set of priorities.
7. Note the following amendments for savings are either based on approved expenditure determined after the 2021-31 LTP and/or only placing on hold some projects due to the subsequent change to economic and environmental conditions.
8. Note it is likely without some of these changes there will be required further rephrasing of capital expenditure projects (as has occurred in both December 2021 and 2022).
9. Note the identified amounts for savings are based on these key principles: ensuring water infrastructure upgrades and renewals are the top priority, external factors (e.g. recent extreme weather events, ongoing inflationary increases, exacerbating resource constraints, affordability), and aligning to the current LTP budget.
10. Approve the following amendments to the draft annual plan
 - a. Increase operational expenditure budget for Wellington Water by \$3.5million (based on additional \$7million requested)
 - b. Postpone demolition of the Civic Square office buildings until final solution for rebuild determined - CAB & MOB
 - ~~c. Investigate selling and or partnering with another party to redevelop the CAB & MOB buildings/site 'as is'~~
 - d. Review expenditure on the implementation of the Bike Network Plan and refocus on primary routes in 23/24 to address only high use connections and known safety issues
 - e. Identify the cost the 75,000 tonnes of CO₂-e emissions associated with Council's waste activities at the forecast market rate for NZU over the budget period and reflect as revenue the NZU value which Council is forecast to receive from Town Belt carbon sequestration (12,000 tonnes with a value of \$840,000). This will increase the cost allocation to \$5.25 million on waste activities from the current level of \$3.70 million, creating an overall benefit of \$2.39 million (subject to if NZUs aren't received through the books).
 - f. Place on hold Environment & Accessibility Fund (the contestable Green Building fund) and remove budget from 23/24
 - g. Align climate change budget to that outlined in the LTP budget
 - h. Configure on-street parking fees to achieve targeted 70% of occupancy and increase

revenue

- i. Revisit securing naming rights for Ākau Tangi Sports centre
- j. Defer publishing and home delivery of “Our Wellington” quarterly magazine
- k. Defer LGWM City Streets project until GWRC bus service consistently achieves 90% reliability on full scheduled services
- l. Defer LGWM Golden Mile project until GWRC bus service consistently achieves 90% reliability on full scheduled services
- m. Defer LGWM Thorndon connections project until GWRC bus service consistently achieves 90% reliability on full scheduled services
- n. Rephase speed management reduction planning to only focus on mandatory requirements due by 2024- (speed management near schools and other educational facilities).
- o. Review Council's policy of not capitalizing interest costs associated with capital works.

Lost

Secretarial note: As per standing order 21.10(a), the Chair did not accept clause 10.(c) of the amendment and it was ruled out.

Closure Motion

Moved Councillor O'Neill, seconded Councillor Wi Neera

Resolved

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

- 1. Agree that, in accordance with standing order 25.2(c), the amendment under debate now be put.

Carried

Secretarial note: The motion moved by Councillor Calvert and seconded by Councillor Randle was decided by part, the divisions for which are as follows:

Clauses 1, 2, 3 and 4

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Liz Kelly, Councillor Pannett, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Paul, Councillor Wi Neera

Majority Vote: 9:9

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote **against** the amendment.

The amendment was **lost** by 10 to 9 votes.

Lost

Clauses 5(a), 5(b) and 5(c)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor McNulty, Councillor Pannett, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor O'Neill, Councillor Paul, Councillor Wi Neera

Majority Vote: 9:9

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote **against** the amendment.

The amendment was **lost** by 10 to 9 votes.

Lost

Clauses 6, 7, 8 and 9

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Liz Kelly, Councillor Randle, Councillor Young

Against:

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

Majority Vote: 8:10

Lost

Clause 10(a)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Majority Vote: 6:12

Lost

Clause 10(b)

For:

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

Against:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Paul, Councillor Wi Neera

Majority Vote: 7:11

Lost

Clause 10(d)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Majority Vote: 7:11

Lost

Clause 10(e)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Liz Kelly, Councillor Pannett, Councillor Randle, Councillor Young

Against:

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

Neera

Majority Vote: 9:9

Equal

Secretarial note: The vote being tied, the chairperson applied their casting vote **against** the amendment.

The amendment was **lost** by 10 to 9 votes.

Lost

Clause 10(f)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Liz Kelly, Councillor Randle, Councillor Young

Against:

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

Majority Vote: 8:10

Lost

Clause 10(g)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Liz Kelly, Councillor Randle, Councillor Young

Against:

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

Majority Vote: 8:10

Lost

Clause 10(h)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Majority Vote: 7:11

Lost

Clause 10(i)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Pannett, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Paul, Councillor Wi Neera

Majority Vote: 8:10

Lost

Clause 10(j)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Pannett, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Paul, Councillor Wi Neera

Majority Vote: 8:10

Lost

Clauses 10(k),(l),(m)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Majority Vote: 6:12

Lost

Clause 10(n)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Liz Kelly, Councillor Randle, Councillor Young

Against:

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

Majority Vote: 8:10

Lost

Clause 10(o)

For:

Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Pannett, Councillor Randle, Councillor Young

Against:

Mayor Whanau, Councillor Abdurahman, Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Paul, Councillor Wi Neera

Majority Vote: 8:10

Lost

Moved Mayor Whanau, seconded Councillor Matthews

Resolved

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

1. Receive the information.
2. **Note** that the 2023/24 Annual Plan is year three of the 2021-31 Long-term Plan (LTP), and that year three included a rates increase that reflected significant increased investment in the city's infrastructure and services.
3. **Note** that since the 2021-31 LTP was adopted, increases in inflation, the revaluation of assets, cost of borrowing and depreciation costs have resulted in material pressure being placed on the rates starting position for the 2023/24 year.
4. **Note** that the Capital Programme for 2023/24 has already been rescheduled on 8 December 2022 by Kōrau tūāpapa | Environment and Infrastructure committee to reflect market capacity, and that the re-programming of the revised capital works programme has helped reduce the rates impact for the 2023/24 financial year.
5. **Agree** the broad approach to offset these cost pressures on the rates starting position for 2023/24 is to:
 - a) Defer any new additional funding matters to the 2024-34 LTP for consideration
 - b) Delay debt repayments (for covid related borrowing costs)
 - c) Delay leaky homes rates funded provision
 - d) Utilise some prior year accumulated surpluses
 - e) Organisational savings
 - f) Increase user fees and charges for 2023/24 in line with the Revenue and Financing Policy to ensure those that benefit from a service pay an appropriate portion of the costs.
6. In alignment with the above approach, **agree to defer** the following funding cost increase matters to the 2024 Long-term Plan for consideration:
 - a) ~~Additional \$1.1m increase for CCO operating grants (over and above 4% already included in draft 2023/24 budget)~~
 - b) Additional funding for events (\$320k OPEX)
 - c) Additional funding for grants (\$200k OPEX)
 - d) Additional funding for the Natural Environment Fund (\$100k OPEX)

- e) Funding for a feasibility study for the Great Harbour Way - Shelly Bay Road
 - f) Funding for the Significant Natural Areas Incentive Programme
 - g) Funding for additional Town Centre Upgrades (beyond what is currently programmed).
7. In alignment with the above approach, **agree to include** the following in the draft 2023/24 Annual Plan budget funded through prior year accumulated surpluses:
- a) Additional funding of \$2.31m OPEX for Wellington Water Ltd (\$2.0m for response/repair of drinking water leaks and \$310k to accelerate the Condition Assessment Programme)
 - b) Circa Theatre support for redevelopment work (\$550k OPEX).
8. **Note** that funding to support more resource at the Linden Community Centre for community development will be funded from within existing budgets for 2023/24.
- 8A. Agree to increase the CCO OPEX budget for 2023/24 by \$342k (compared to draft budget) to address cost pressures that cannot be mitigated by the CCOs as outlined in the table below:**

CCO Operating Grants	22/23 FY Budget	Current Draft AP Budget			Amended Substantive		
		% Increase	23/24 Budget	\$ Increase on 22/23	% Increase	23/24 Budget	\$ Increase on 22/23
Basin Reserve Trust Operational Grant	735,142	4%	764,548	29,406	4%	764,548	29,406
Experience Wellington Operational Grant	7,872,513	4%	8,187,414	314,901	8%	8,502,314	629,801
Experience Wellington: Space Place Operational Grant	533,821	4%	555,174	21,353	8%	576,527	42,706
Experience Wellington: Rental Grant	1,768,000	4%	1,838,720	70,720	0%	1,768,000	0
Zoo Operational Grant	3,751,894	4%	3,901,970	150,076	10%	4,127,083	375,189
Zealandia Operational Grant	1,122,105	4%	1,166,989	44,884	8%	1,211,873	89,768
WellingtonNZ Tourism Grant	6,209,757	4%	6,458,147	248,390	3%	6,396,050	186,293
WellingtonNZ Major Events Fund	5,264,589	4%	5,475,173	210,584	3%	5,422,527	157,938
Destination Wellington Fund	1,957,784	4%	2,036,095	78,311	0%	1,957,784	0
TOTAL	29,215,605	4%	30,384,229	1,168,624		30,726,706	1,511,101
Difference Between Current & Amended Substantive	342,476						

- 9. **Agree** not to fund the bund on Mākara Beach, based on the new evidence regarding the likely ineffectiveness of a bund as outlined in more detail in Attachment 4).
- 10. **Agree** the proposed changes to Fees and User Charges for community engagement as outlined in Attachment 2 and 3.
- 11. **Note** the draft recommended budget (as outlined in this paper) represents a proposed 12.2 percent rates increase after growth, the broad approach to offset cost pressures (outlined in recommendation 8).
- 12. **Note** that the organisation has budgeted and achieved savings of \$17.0m in the previous two years, with further budgeted savings in the current year (2022/23) of \$13.0m, a cumulative total of \$30.0m.
- 13. **Note** the projects and programmes budgets as outlined in Attachments 7 and 8. These are draft and will be finalised and presented to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee on 23 March 2023.
- 14. **Note** the community engagement and feedback approach to the draft 2023/24 Annual Plan as outlined in Attachment 5.

15. **Agree** in principle non-alignment to the Revenue & Finance Policy for activities that do not align. This is where these activities are within variance thresholds or in line with the position accepted during the 2021-31 LTP and 2022/23 Annual Plan.
16. **Note** that the draft 2022/23 budget and community engagement information will be presented on 23 March 2023 at Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting for consideration.

Carried

Secretarial Note: Mayor Whanau moved the original motion with amendments (supported by officers) as marked in red.

The motion moved by Mayor Whanau and seconded by Councillor Matthews was decided by part, the divisions for which are as follows:

Clause 8A

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Deputy Mayor Foon, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Against:

Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free, Councillor Randle, Councillor Young

Majority Vote: 12:6

Carried

Clauses 1-8, 9-16

For:

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

Majority Vote: 18:0

Carried

Attachments

- 1 Draft Annual Plan Slides

The meeting closed at 10.28am with the reading of the following karakia:

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

Authenticated: _____
Chair

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

Minute item attachments

9:30am Thursday, 23 February 2023
Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

Business

Page No.

2.1 CCO 22/32 Quarter 2 Report

1.	Wellington Regional Stadium Trust (Sky Stadium) Slides	2
2.	Wellington Zoo Trust Slides	18
3.	Basin Reserve Trust Slides	22
4.	Wellington Museums Trust (Experience Wellington) Slides	26
5.	Karori Sanctuary Trust (Zealandia) Slides	43
6.	Wellington Regional Economic Development Agency Limited (Wellington NZ) Slides	52
7.	Wellington Cable Car Limited Slides	59

2.3 2023/24 Annual Plan – Draft Budget

1.	Draft Annual Plan Slides	71
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Attachment 1



FY22 at a glance

- Just 12 major event days. Down from 39 the prior year and 50-60 pre-COVID.
- 77,000 fans attended these events down from 290,000 prior year
- A net loss of \$4.7 million
- Support from settlers

skySTADIUM

FY23 to date

- 25 event days in first half of year. Will end up around 50
- 165,000 fans attended these events
- A net surplus of \$2.8 million
- Support from settlors
- Event pipeline is very positive and we've already hosted some great events this year

SOI reporting

- FIFA Women's World Cup Australia preparation
- Seismic strengthening works
- A strong programme of stadium-filling events that return economic benefit to the city and region
- Determine an optimal insurance structure for the stadium
- Support the zero-carbon and zero-waste aspirations of the city
- Improving outcomes for mana whenua and Māori

skySTADIUM

Item test Attachment 1





Item test Attachment 1





Item test Attachment 1





Item test Attachment 1





Item test Attachment 1





Item test Attachment 1





WZT QUARTER 2, 2022/23 REPORT

Craig Ellison, Chair
Karen Fifield MNZM, Chief Executive
Kōrau Tōtōpū | Long-term Plan, Finance, and Performance
Committee Meeting
23 February 2023

Photo: M Reeves



Quarter Two, 2022/23

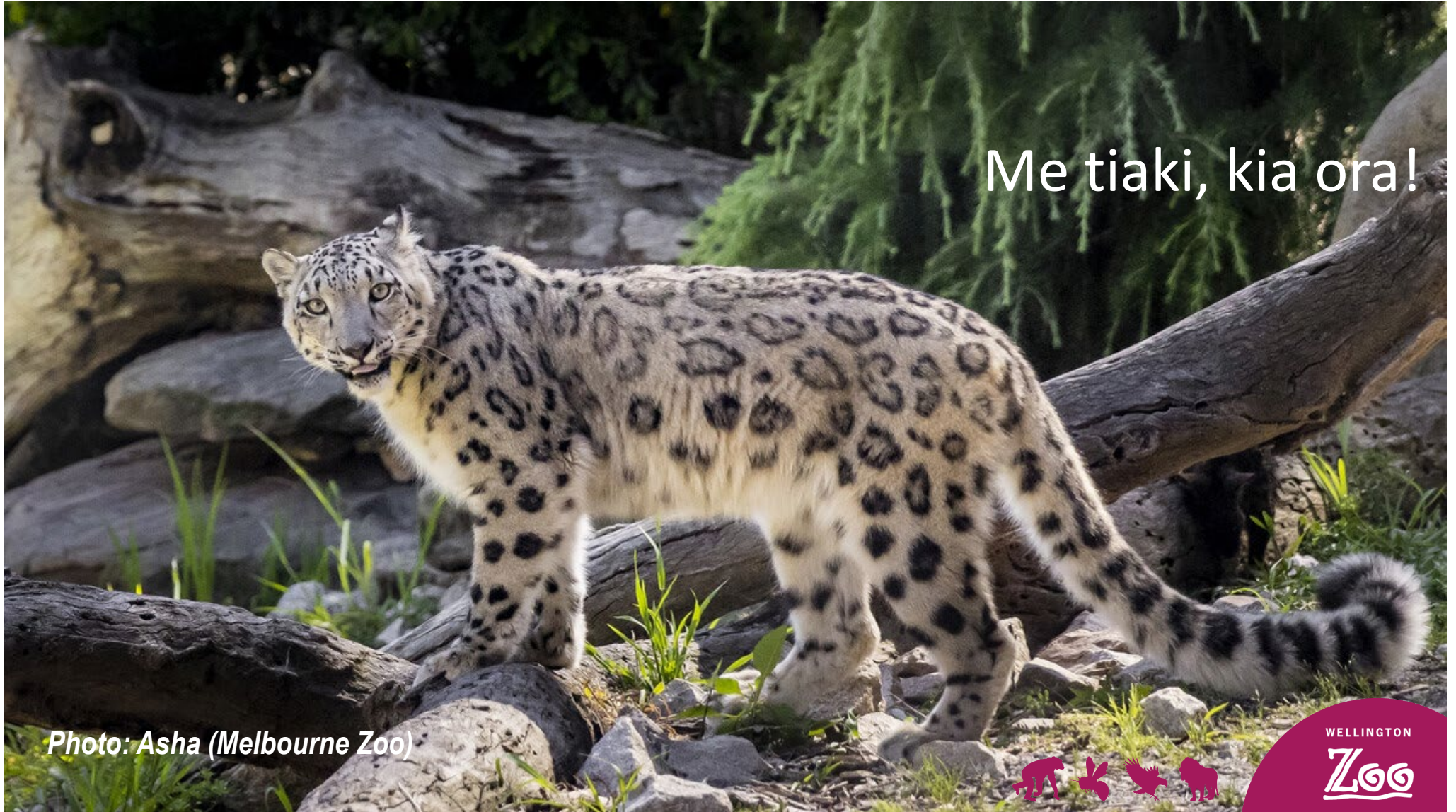
- Commercial relationship with Boehringer Ingelheim which has pledged \$50k to promote tiger conservation
- Released WZT Sustainable Palm Oil Position Statement
- Achieved Toitū net carbonzero audit for 10th consecutive year
- Developed guidelines to support Zoo whānau wanting to transition
- Launched our revamped Close Encounter marketing programme
- Revamped The Twilight te ao Māhina (Kiwi introduced early Feb)
- Q2 stats: 7,517 more visitors than budget creating \$257,511 more revenue and exceeded Retail budget by \$29,067



Looking Ahead

- Ongoing WZT Master Planning 2022-42 preparation
- Board hui to appropriately rename Wellington Zoo to celebrate its 20th year as a Trust
- Opening of Snow Leopard habitat in March
- MPI has approved the import of Zoetis COVID-19 vaccine
- Planning for Zoo Pride Weekend





Me tiaki, kia ora!

Photo: Asha (Melbourne Zoo)



BRT Q2 Progress Report



Highlights

- Sold out Beers at the Basin festival
- White Ferns vs Bangladesh women’s ODI
- Annual Christmas at the Basin Super Smash event
- Opening of multifaith prayer room
- Progression of the Digital Billboards project with Go Media

Measure	Annual Target	YTD	Q2 Target	Q2 Actual	On Track
Cricket Events	55	29	25	28	On Track
Other Sports Events	20	4	0	0	On Track
Community Events	31	1	1	1	On Track
Functions	45	60	10	40	On Track



On the Horizon

- Blackcaps Test Matches vs England and Sri Lanka
- Summer Sessions at the Basin (Food and wine festival)
- Ethnic Festival and community events week
- Progression of capital works and delivery on the recommendations from the site security report





Questions?





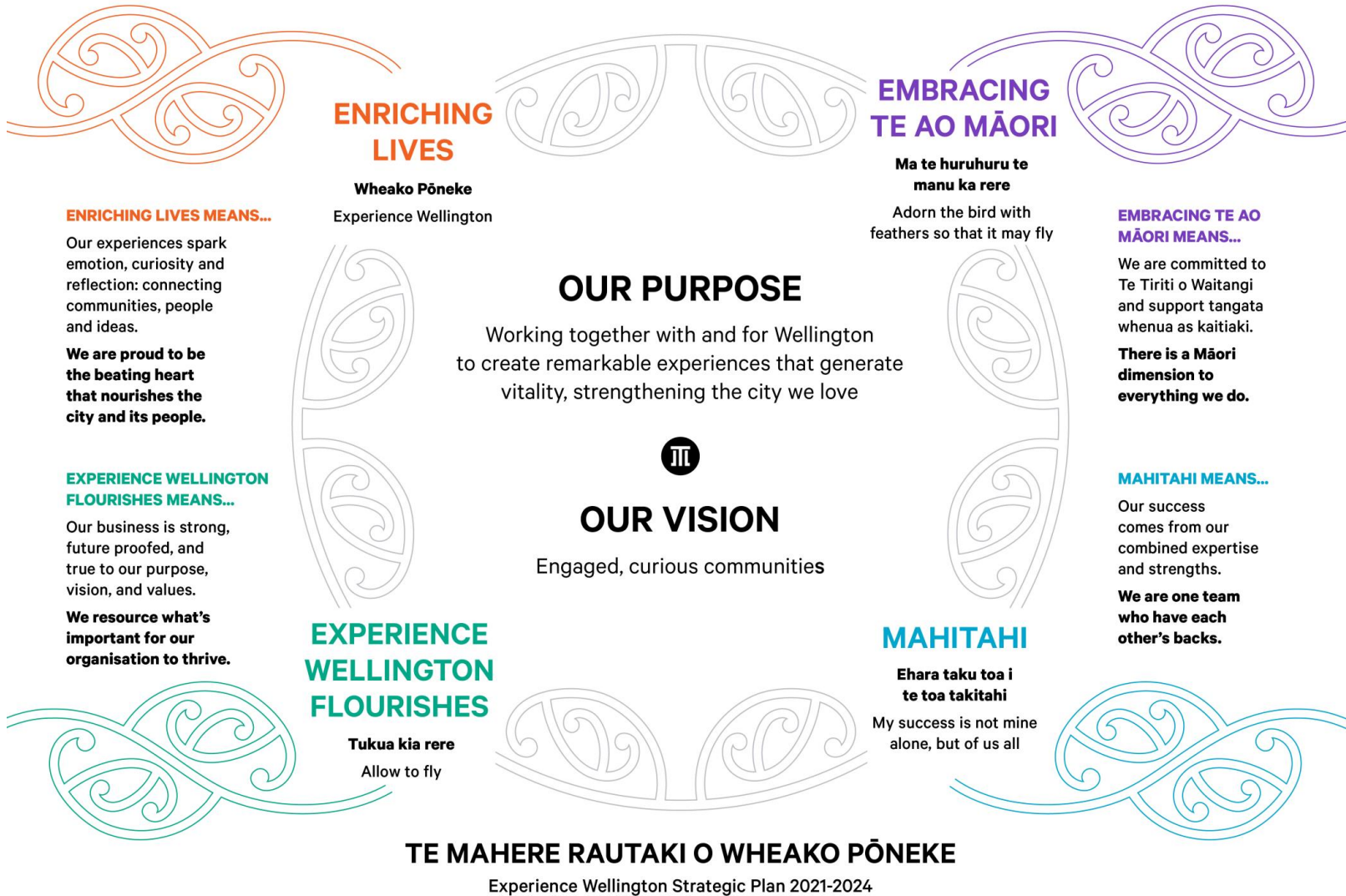
Finance & Performance Committee Quarter 2



PRINCIPAL FUNDER

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke





Challenges & Opportunities

- Financial sustainability:
 - Long-tail of COVID-19
 - Rising costs: inflation, fair pay
 - Challenging fundraising environment
 - Building issues: HVAC, lift & leaks
- Space Place investment
- Wellington Museum project
- Te Matapihi & Te Ngākau



Results - Quarter 2

KPIs	Actual @ 31/12/22	% Annual Target Achieved
Onsite visitors	246,694	59%
Virtual Visitors	187,681	75%
Social Media	88,812	100%
Public Programmes	57	N/A
Trading Revenue	\$1,002,277	55%
Grants	\$510,833	43%
Spend per Visit	\$4.06	119%





High Summer Season Opening City Gallery Wellington Te Whare Toi



Remembering Parihaka Nairn Street Cottage & Wellington Museum



Item test Attachment 4

SPIN Sound Installation Cable Car Museum



Make a Masterpiece Capital E Nōku te Ao



Beekeeping at Nairn Street Cottage



Space Place Te Ara Whānui ki te Rangi



Wellington Museum Te Waka Huia o Ngā Taonga Tuku



City Gallery Wellington Te Whare Toi



experience
Wellington
wellington museums trust

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

He Pātahi?

Dr Sarah Rusholme
Tumu Whakarae | Chief Executive



**Governor General Dame Cindy Kiro visits
Space Place Te Ara Whānui ki te Rangi**



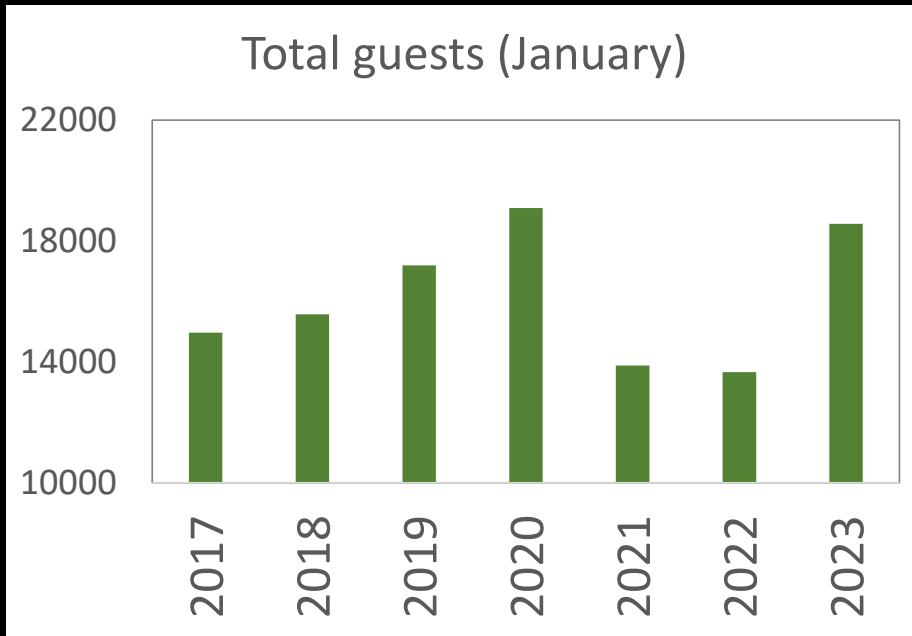
Te Matapihi ki te Ao Nui





Te Whanganui-a-Tara

Wellington Museum Te Waka Huia o Ngā Taonga Tuku Iho




KARORI SANCTUARY TRUST™
TE MĀRA A TĀNE

Item test Attachment 5

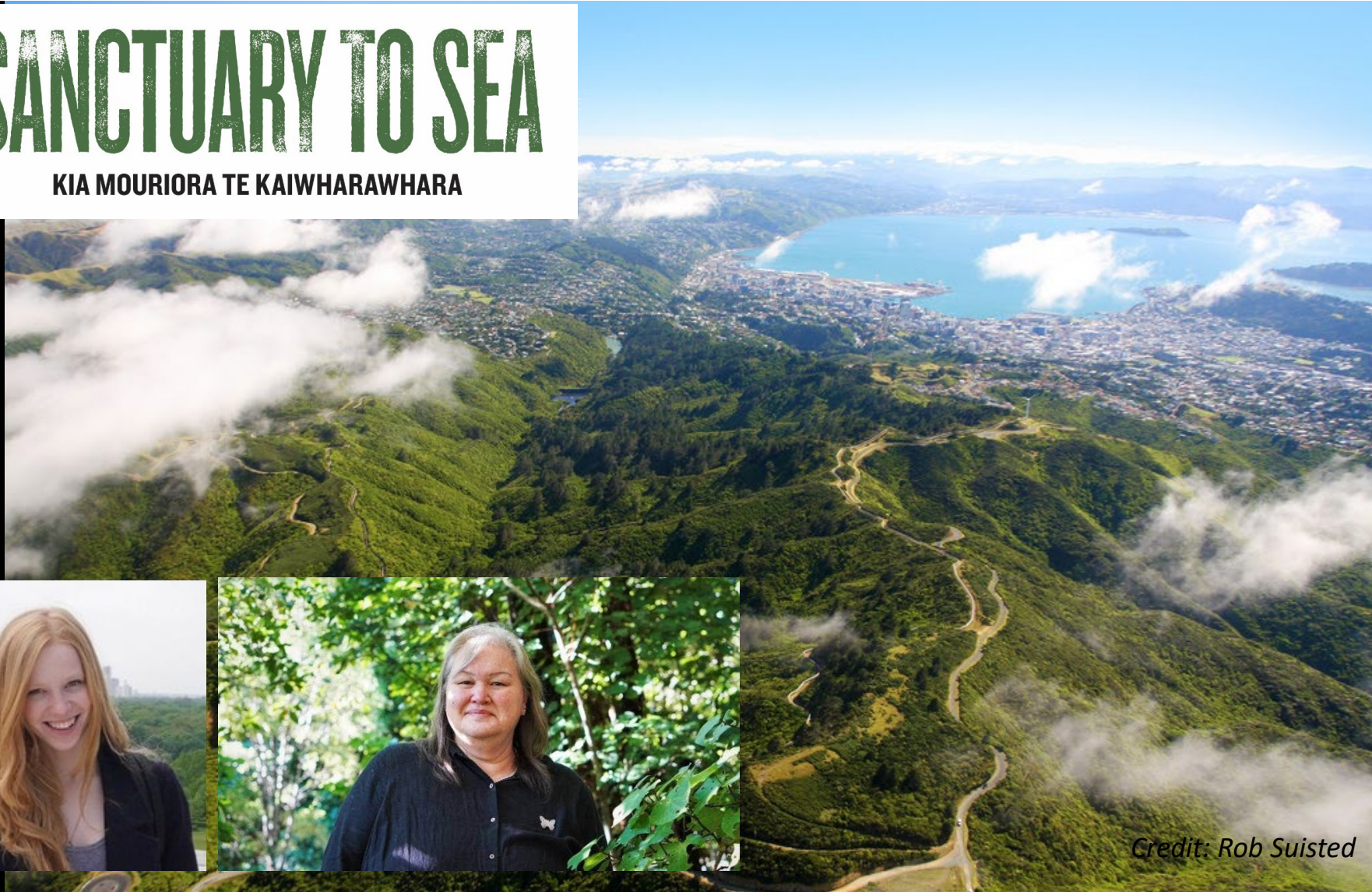
What's wrong with that water?





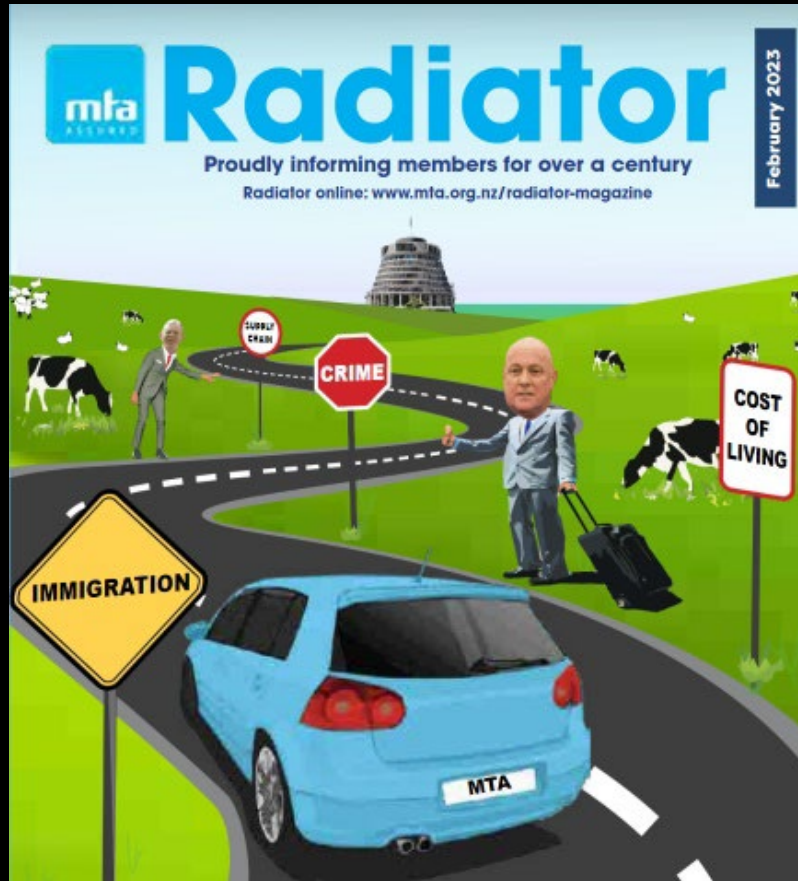
SANCTUARY TO SEA

KIA MOURIORA TE KAIWHARAWHARA



Credit: Rob Suisted





SANCTUARY TO SEA

KIA MOURIORA TE KAIWHARAWHARA



**From Scouts to streams –
building a workshop for the future**

In the heart of suburban Karori, Wellington MTA member Craig Fair has used a blank canvas to design and build the greenest possible automotive workshop from the ground up.

Tanglewood House





Looking forward:

Key challenges

Hihi, and climate change

Working capital

Cost of living, cost of doing business

Inflation pressures

Thank you WCC

Tō Tātou Pōneke
Our Wellington

ZEALANDIA™
TE MĀRA A TĀNE





Quarterly Report

Q2: October to December 2022

WellingtonNZ

Our strategy	<p>MISSION</p> <p>Creating a thriving Wellington region for all Updated February 2023</p>		
	<p>MORE</p> <p>Businesses succeeding & employing more people</p>	<p>MORE</p> <p>Locals & visitors participating in events & experiences</p>	<p>MORE</p> <p>Collaboration & investment across the region</p>
	<p>JOBS FOR THE FUTURE</p> <p>Support businesses to grow, innovate & meet future workforce needs.</p>	<p>PLACEMAKING</p> <p>Enhance Wellington’s reputation as New Zealand’s creative heart</p>	<p>COLLABORATION & ENGAGEMENT</p> <p>Work in partnership to support investment in the region to unlock opportunities</p>
Our Rocks ‘guiding priorities’	<p>Mana Whenua & Mātāwaka</p> <p>Working with mana whenua to increase their wellbeing & create employment opportunities for Māori across the region. There are specific initiatives to do this across each of our priority areas.</p>		
	<p>Events</p> <p>Enrich the lives of our people & attract visitors to the region through major business and performance events</p>		
	<p>Tourism</p> <p>Promoting our region, telling our stories, & developing new attractions to draw visitors & enhance our economy & brand</p>		
	<p>Talent</p> <p>Strengthening resilient businesses & attracting people & companies to live & invest in Wellington</p>		
	<p>Technology</p> <p>To drive job growth & build scale in the Tech sector in Wellington region (inc STEM - Science, Engineering and High-value Manufacturing)</p>		
	<p>Regional Economic Development</p> <p>Driving the delivery of the Regional Economic Development Plan (inc Screen, Primary Sector Food and Fibre) and the Wairarapa Economic Development Strategy (WEDS)</p>		

How our region is performing



20,642

International Visitors Dec 22

Incl. 14,645 Australians. Up from 12,562 total and 9,662 Australian - Nov 22

2022 Total: 93,052 visitors (incl. 73,940 Australians)



\$104m

Visitor Spend for Dec 22 was the largest spend for the year apart from October (WOW)

YTD Spend ending 31/12/22 had a visitor spend of \$1.05B for the Wellington Region.



50 vessels

70K+ visitors this cruise season to date



65%

Hotel Occupancy Jan 23

Weekends 71% and weekdays 64%, average daily rate has had a significant increase from the same time the previous year from \$178 to \$190. Due to staffing shortages hotels continue to run at reduced capacity.



\$34m

International spend for Dec 22 – the largest international spend since pre-2018

\$168m YTD spend ending 31 Dec 22



10,245

People accessing Jobseeker Support - Jan 23

Down from 11,238 - Dec 21



9% ↑

Median earnings for the year ending Dec 2022

Weekly \$1,280
Annual \$66560
Up from \$62400 in 2021

Highlights

JOBS FOR THE FUTURE	PLACEMAKING	COLLABORATION & ENGAGEMENT
<p>Support businesses to grow, innovate and meet future workforce needs</p>	<p>Enhance Wellington’s reputation as New Zealand’s creative heart</p>	<p>Working in partnership to support investment in the region to unlock opportunities</p>
<ul style="list-style-type: none"> • Screen showreel – 4.9K views by Feb 21 • Relationship growth and exploration with Pasifika business networks • Ten students accepted internships in the Wellington region through the pilot Summer of Engineering programme • Support for ‘House of Science’, science literacy in student’s programme • Finalising STEM mentorship programme to run in term two 2023 • 6 start up sessions were held for early stage founders by CreativeHQ (616 tickets sold) 	<ul style="list-style-type: none"> • Promotion of of Wellington ahead of the summer season headlined by the ‘A little bit of Wellington’ campaign • Launched an awareness campaign partnering with Air New Zealand to promote our new Wellington Trip Starter tool • Wellington Advent Calendar, 270K downloads • Tactical promotion of Wellington to the people of Tamaki Makaurau Auckland ‘open invitation from Mayor Tory Whanau’ • Wellington Cruise season has seen 50 vessels and 70,000-plus visitors so far • World of WearableArt cumulative audience of 63,678 over show season • Strong quarter for Venues Wellington 90,000 (inc WOW) and a strong quarter for Business events. 	<ul style="list-style-type: none"> • Second cohort of Wellington tourism operators completed the sustainability programme continuing to build on the transition to a zero carbon city by 2050. • The Screen Wellington team is now in place to help grow and consolidate our region’s film-friendly reputation as a UNESCO Creative City of Film • Completed submissions with Sector input on the Review of Government investment in the screen sector • CreativeHQ ran its successful GovTech Programme along with 14 government projects, NGO’s and Startups • Catherine Jones, CreativeHQ’s CEO accompanied the Prime Minister’s Trade Delegation to Vietnam, where Innovation as an export to that region was highlighted.

Video: Screen Wellington Showreel



What's coming up

- Delivery of the **Wellington Region Screen Sector Strategy**
- **Māori Development** continues to progress in the Regional ED Plan such as planning for Tipu pakihi ED Event (Previously known as Hui Taumata) in June, Feasibility study with the Otaki Porirua Māori Trust Board for whenua development and supporting social procurement initiatives, including Te Upoko o te Ika a Māui accord.
- **A Little Bit of Winter Campaign** will be live in April/May to attract out of town visitation to Wellington over the winter months.
- **STEM Mentorship programme** in partnership with Ngāti Toa and Victoria University to due to start in Term 2.
- Work continues towards the successful delivery of Host City obligations for **FIFA WWC 2023**
- Working with WCC on the **Venues review**, including asset renewal plans.
- The countdown to the opening of **Tākina** continues with an upcoming announcement near of the major opening exhibition.
- We are working with WCC officers to develop a suite of initiatives to assist businesses along the **Golden Mile**.
- A **website upgrade** for WellingtonNZ.com and further development of our Wellington brand strategy, including initial engagement with mana whenua.
- CreativeHQ launches a technology leadership training series on 2 March - '**Talk Innovation Leadership**'
- CreativeHQ and WellingtonNZ are planning a **Tech Careers event** with industry for the 17 May. This is subject to funding being sourced.

WellingtonNZ Service Performance – YTD Dec 2022

WellingtonNZ is delivering direct value/ROI on our shareholders investment	YTD	Target 2022/23	Comments on measures
Direct Economic Impact of WellingtonNZ's activities and interventions (1)	\$65.4M	\$150 Million	<p>1. Estimate with available data only. Data lag, updated later</p> <p>2. EAV not yet received from TNZ. Reporting has changed and only available 6 monthly – will be in Q3 report.</p> <p>3. Timing of reporting by events lags behind quarterly reporting, not all events held in Q2 are included in this figure, which will be updated at later date</p> <p>Annual – results available end of year</p> <p>Traffic Light Key</p> <ul style="list-style-type: none"> KPI measure on track KPI at risk of not meeting target KPI measure will not meet target KPI data not available
WellingtonNZ is shaping and amplifying the regional destination/brand story			
Equivalent Advertising Value (EAV) from media activity (2)	N/A	\$20 Million	
Value of expenditure generated from events (including business, performance and major events)(3)	\$52.49M	\$ 75 Million	
The number of Wellington Region Residents that attend events	256,389	500,000	
WellingtonNZ is supporting businesses to upskill and grow			
Number of different business engagements in WellingtonNZ programmes (5)	1,073	2,200	
Internal – Financial Health			
Budget on track – income, expenditure and surplus (6)	To Budget	To Budget	
% of Revenue from non council funding and commercial activity (combined WellingtonNZ and CHQ) (7)	29%	32%	
Internal – Employee Health			
Employee Engagement (8)	Annual	70%	
Internal – Stakeholder Relation Health			
Stakeholder Satisfaction (9)	Annual	90%	

Financials YTD 31 Dec 2022

STATEMENT OF FINANCIAL PERFORMANCE				
	YTD DEC	YTD DEC	Full Year	Full Year
REVENUE	Actual	Budget	Budget	SOI 22/23
Revenue from Shareholders	10,911,005	12,152,008	23,533,973	18,729,637
Other Revenue	4,757,267	8,363,271	13,702,087	12,922,387
TOTAL REVENUE	15,668,272	20,515,279	37,236,060	31,652,024
EXPENDITURE				
Personnel Costs	7,131,688	7,020,343	15,104,656	13,468,000
Investment in Projects and Events	6,067,896	8,938,072	18,993,871	15,634,108
Other Expenditure	1,246,487	1,701,452	3,378,892	2,449,916
TOTAL EXPENDITURE	14,446,071	17,659,867	37,477,419	31,552,024
SURPLUS	1,222,200	2,855,412	- 241,358	100,000

The 2023 SOI was completed under the assumption that the borders would be closed for longer and that it would take longer for large scale events to be allowed prior to the Government's announcements re these. WellingtonNZ refined their budget after those announcements, and we are reporting on both.

Our subsidiary has experienced a slower pipeline of revenue uptake in this financial year than budgeted, however this is expected to improve. We additionally have more income held in advance on our balance sheet as events and programmes of work are finalised and we anticipate releasing that to the p&l in the second half of the year. There has been a delay in some investment in activity than anticipated but this is expected to increase in the 2nd half of the year, and we are anticipating meeting our bottom-line result for year end.

STATEMENT OF FINANCIAL POSITION				
	YTD DEC	YTD SEP	YTD JUNE	Full Year
	Actual	Actual	Actual	SOI 22/23
SHAREHOLDER FUNDS	6,069,525	4,130,551	3,936,052	3,749,361
ASSETS				
Current Assets	11,533,608	11,930,545	10,103,422	5,607,040
Investments	1,879,471	1,879,471	1,879,471	1,437,024
Other Non-Current Assets	834,053	734,530	782,539	800,000
TOTAL ASSETS	14,247,132	14,544,547	12,765,432	7,844,064
CURRENT LIABILITIES	8,177,607	10,413,995	8,829,380	4,094,703
NET ASSETS	6,069,525	4,130,551	3,936,052	3,749,361

WellingtonNZ is currently holding high cash reserves on its balance sheet as it holds funds higher than anticipated in income in advance for future programmes of work and events. These funds are from both shareholder and non-shareholder sources.



Wellington Cable Car Ltd | FY23 Q2 Report
Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

David Perks, Chair | Tansy Tompkins, Chief Executive

23 February 2023

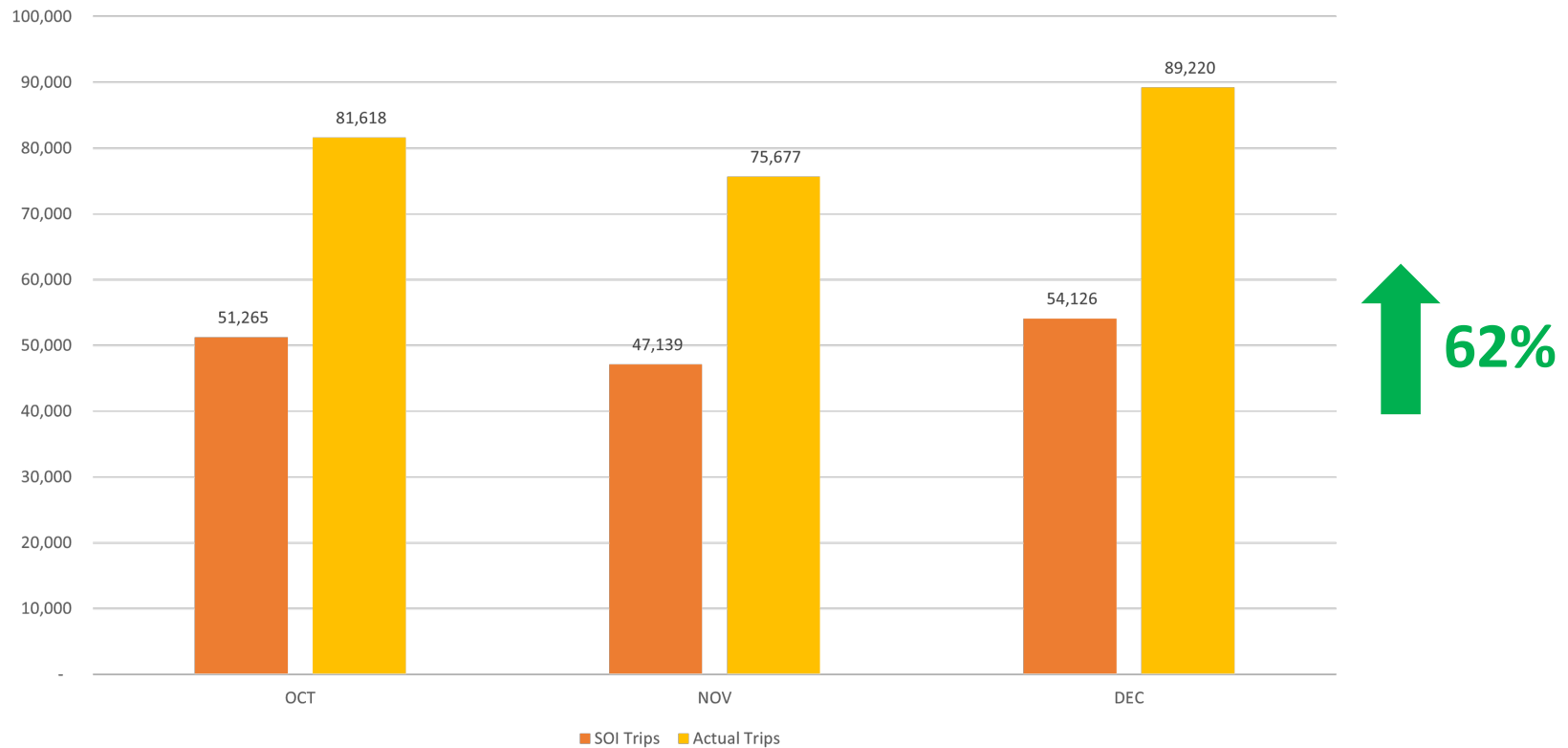
Today

- Q2 results
- Highlights
- Challenges
- Coming up

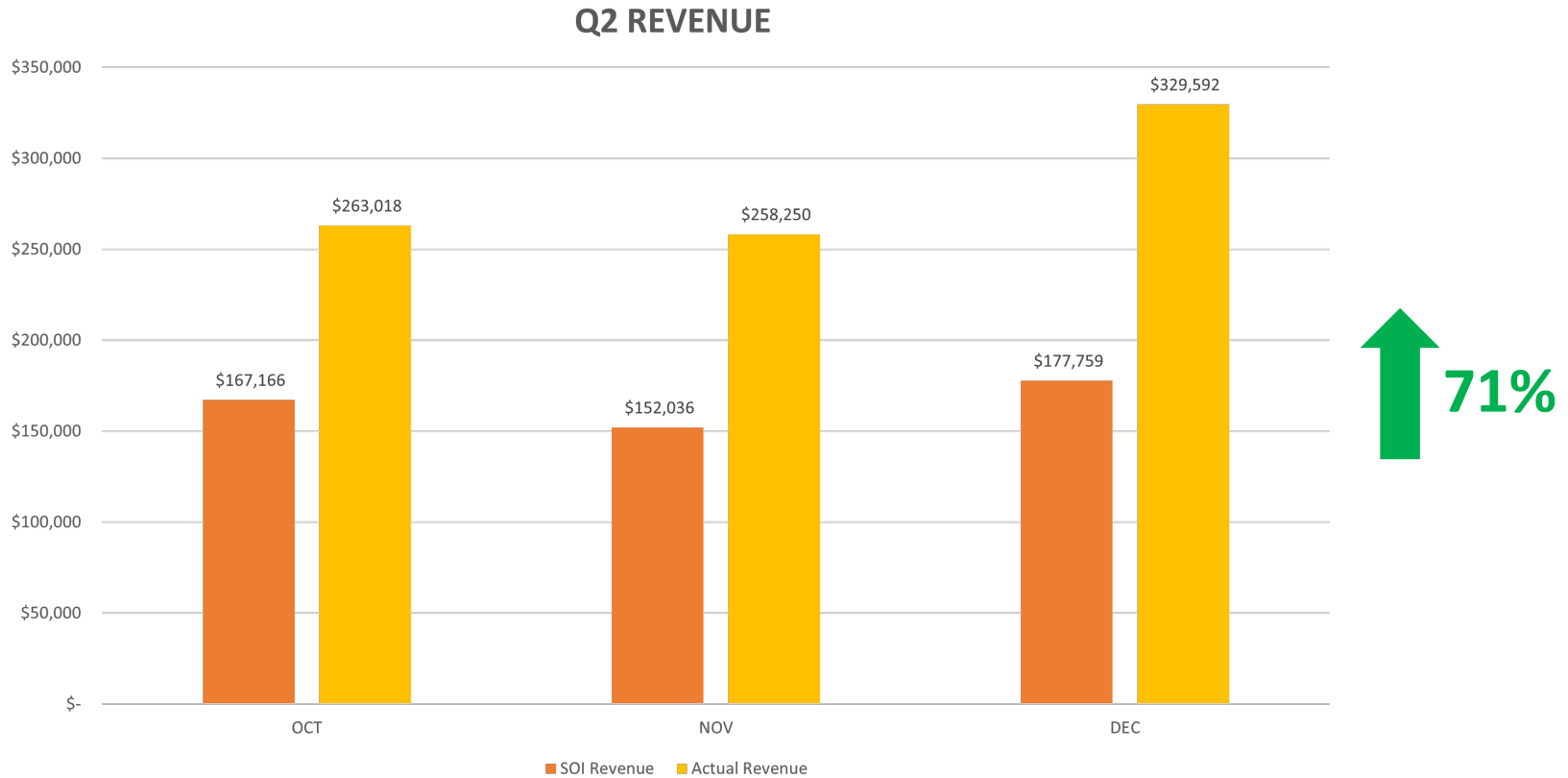


Quarter two results – passengers

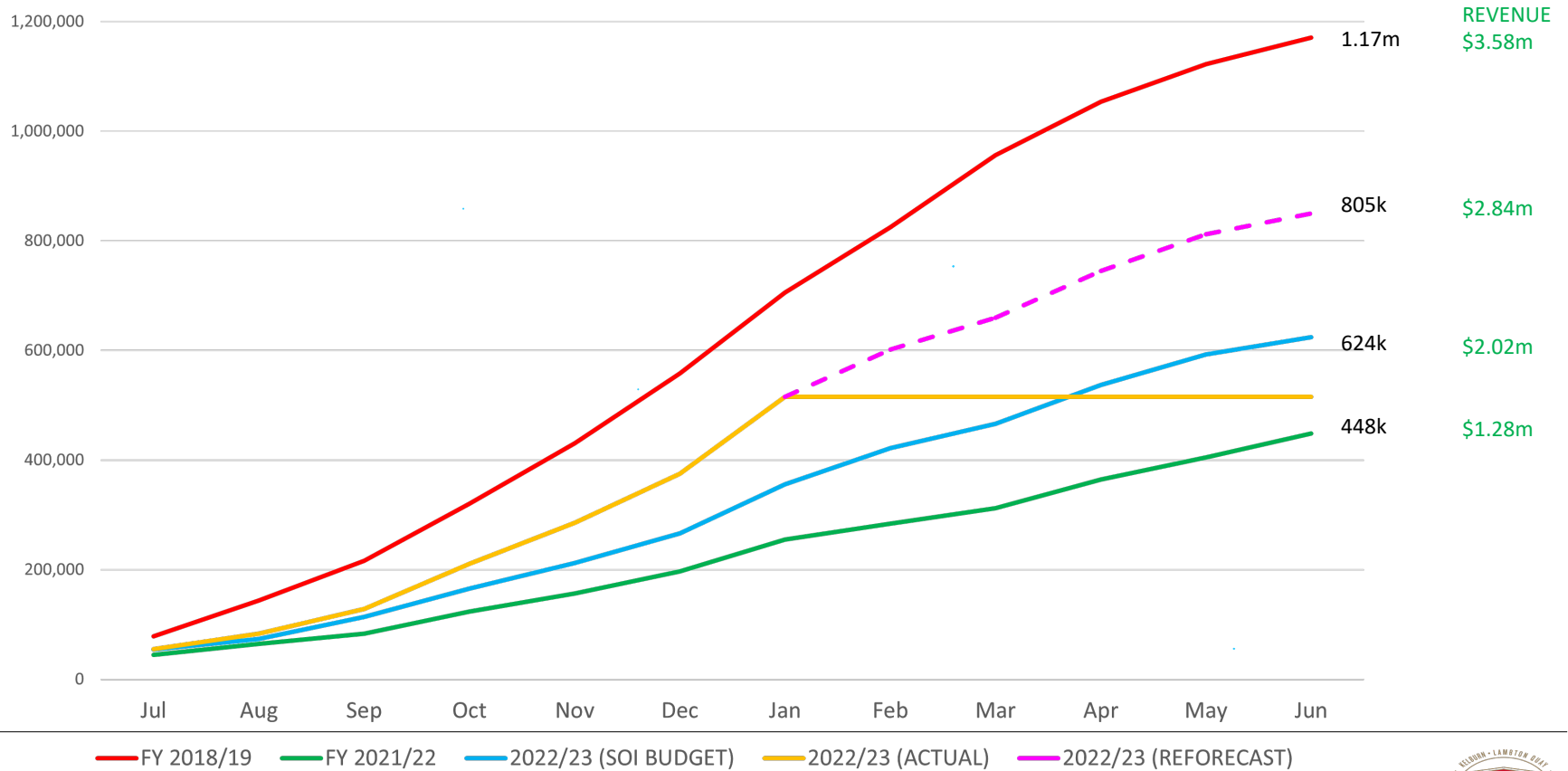
Q2 PASSENGER NUMBERS



Quarter two results – revenue



Passenger numbers



Performance

ANNUAL MEASURES

MEASURE	ACTUAL (YTD)	TARGET (YTD)	TRACKING
Achieve Carbon Zero accreditation	Achieved	Achieve	Achieved
Waste minimisation reduction		5% YOY	On track
Rail Safety Licence		Maintain	On track
Active management of H&S		Maintain	On track
NPS equal to or better than CXI benchmark		Maintain	On track
Google rating		4.2 or higher	On track
TripAdvisor rating		4.2 or higher	On track
Cable Car reliability		>99%	On track



Highlights



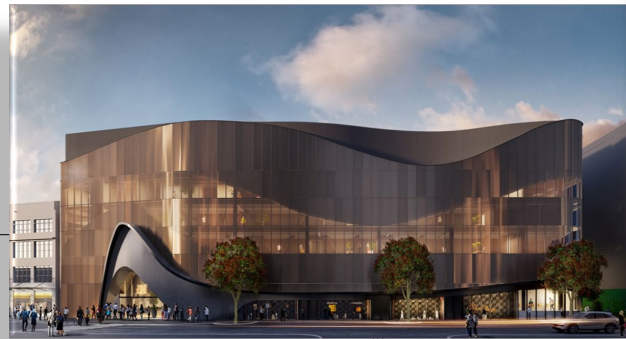
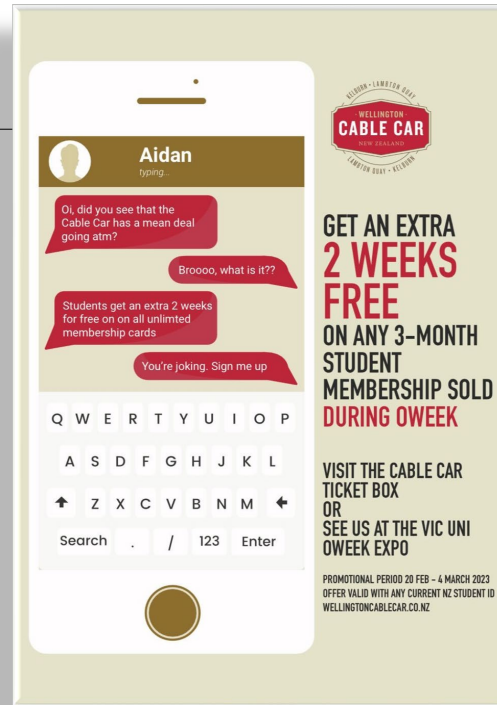
Highlights



Challenges



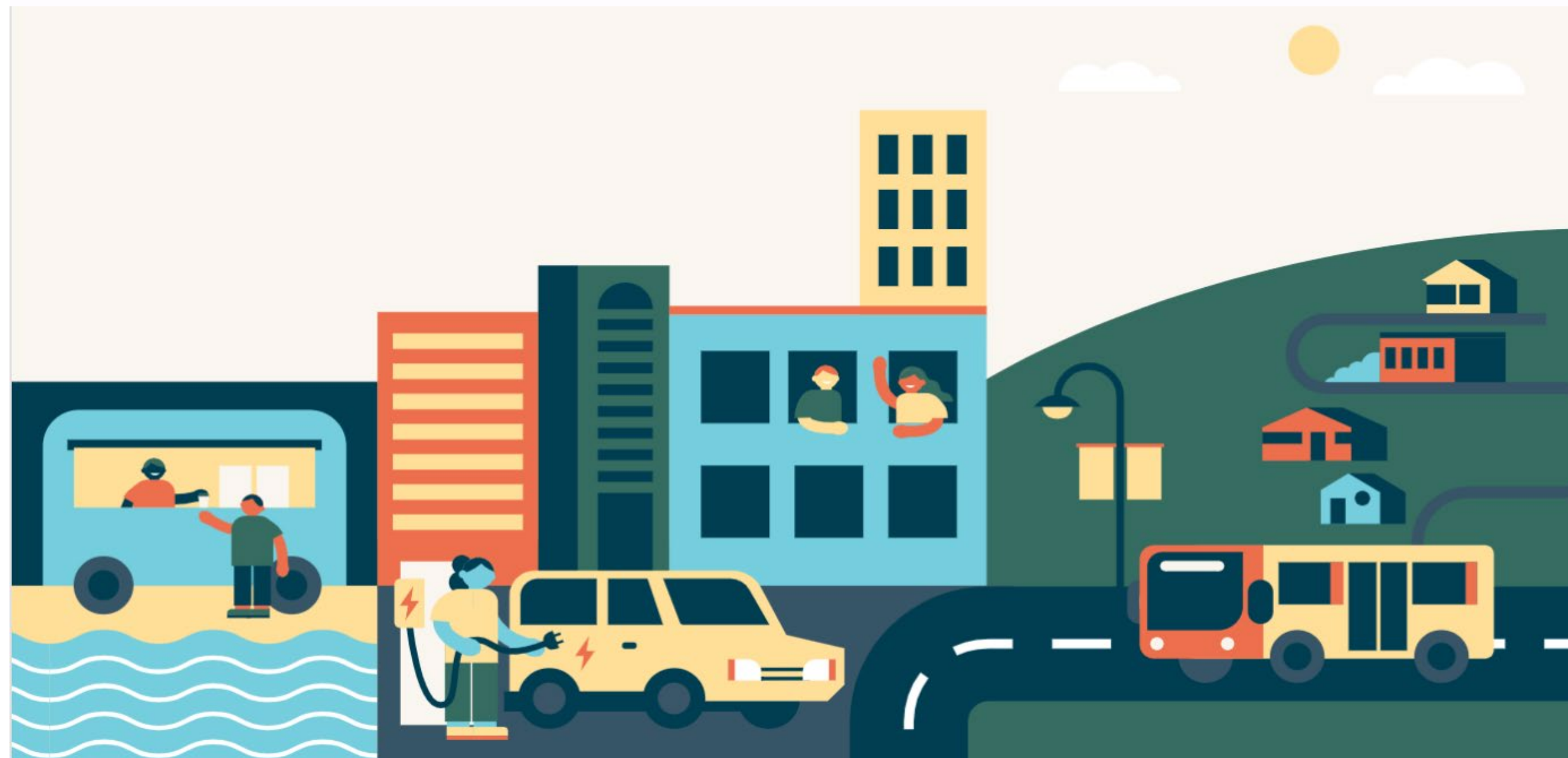
Coming up



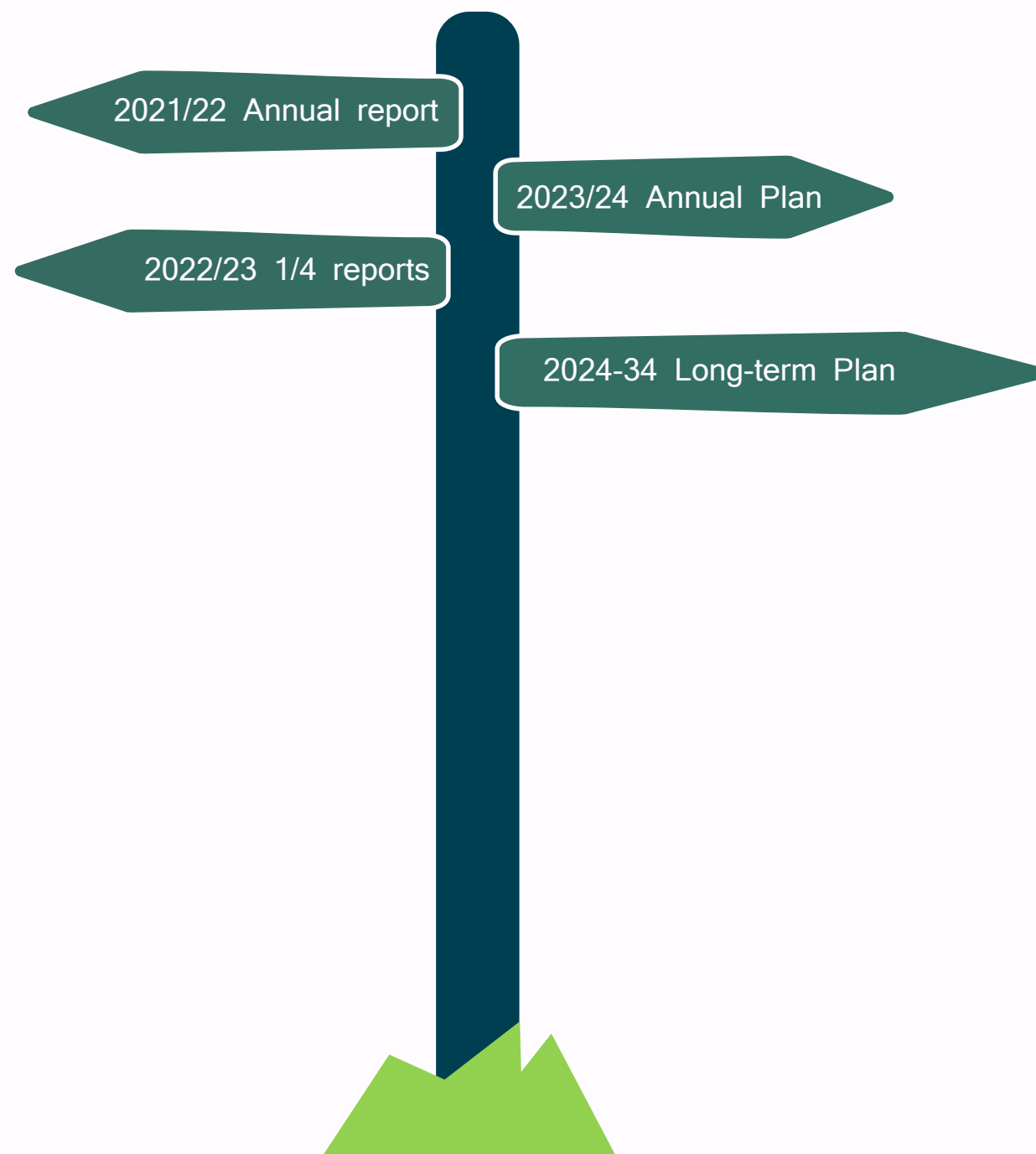


2023/24 Draft Annual Plan

Annual Plan / Long-term Plan Committee meeting
28 Feb. 2023



2023/24 Annual Plan – Year 3 of LTP



- Based on the relevant year in the 2021 Long-Term Plan (LTP) (year 3)
- Focuses mainly on material variations to the:
 - LTP work programme
 - Budget impacts flowing from current and forecast changes in operating conditions e.g. inflation
 - Any proposed changes in Council fees and charges
- In principle, significant new initiatives that are not outlined in the current LTP should be raised and introduced to the following LTP

The Budget Position is Challenging

Investment LTP

- The 2021-31 LTP included a significant investment programme
- Strong community support

Covid 19 costs

- Additional investment in the city to support community / business
- Additional short-term borrowing due to COVID-19 impacts (loss of revenue)
- Resulted in a high rates increase starting position for 2023/24 of 12.9%

Cost pressures

- Cost pressures since then:
 - Forecasted inflation drivers range between 4-6% increasing many costs
 - Increased forecast cost of borrowing due to increase in OCR
 - Increase in the valuation of our infrastructure assets by up to 80% at 30 June 2022, increasing the depreciation and insurance costs

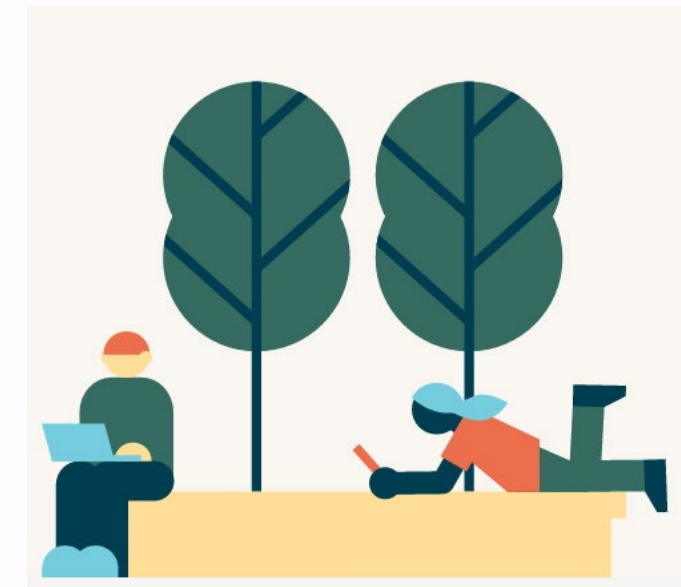
Recommended approach: Investment

The overall recommended approach for 2023/24 is to continue investment in the city while managing the cost pressures the city faces.

The overall approach would include:

- continuing to invest in the city
- recognising cost of living impact on our community by managing cost pressures down
- not pulling on savings levers hard so there is flexibility for 2024-34 LTP

The approach would achieve an average rates increase of 12.2% (after growth) which had been communicated to the community in previous plans



Recommended approach: Criteria

The following criteria / levers have used to guide advice on budget variances:

All new \$ to be considered as part of the 2024-34 LTP, unless:

- there is no discretion (legislative / contractual in nature)
- not funding would cause significant and unacceptable risks
- not funding would reduce levels of service materially for which there is no agreement
- the funding is time sensitive (it stops a programme of work underway)



Recommended approach: levers

1. Delay debt repayments for covid related borrowing costs (approx. 2%)
2. Delay leaky homes rates funded provision (approx. 1%)
3. Organisational savings (approx. 1%)
4. Utilise some prior year accumulated surpluses (to fund limited new cost pressures)
5. Increased user fees and charges in-line with the Revenue and Financing Policy to ensure those that benefit from a service, pay an appropriate portion of the costs.



Next steps

- **23 March** Committee meeting – Approve AP for engagement
- **April** Community Engagement
- **31 May** Annual Plan deliberations
- **29 June** Committee / Council meeting – Annual Plan adoption

Questions

