

**Absolutely Positively**  
**Wellington City Council**

Me Heke Ki Pōneke

# Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Rārangi Take | Agenda

9:30 am Rāapa, 13 Poutū-te-rangi 2024

9:30 am Wednesday, 13 March 2024

Ngake (16.09), Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington



## **MEMBERSHIP**

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

### **Have your say!**

*You can make a short presentation to the Councillors, Committee members, Subcommittee members or Community Board members at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-499-4444, emailing [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz), or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.*

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## AREA OF FOCUS

The Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee has responsibility for:

- 1) Long-term planning and annual planning.
- 2) Financial and non-financial performance oversight in relation to the long-term plan and annual plan.
- 3) Financial oversight.
- 4) Procurement policy.
- 5) Non-strategic asset investment and divestment as provided for through the long-term plan (recommending to Council where matters are not provided for in the long-term plan).
- 6) Council-controlled Organisation oversight and performance.
- 7) Council-controlled Organisation director review and appointments.
- 8) WellingtonNZ oversight and performance.
- 9) Approve asset management plans.

To read the full delegations of this committee, please visit [wellington.govt.nz/meetings](https://wellingtongovt.nz/meetings).

**Quorum:** 9 members



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# 1. Meeting Conduct

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## 1.1 Karakia

The Chairperson will open the hui with a karakia.

<b>Whakataka te hau ki te uru, Whakataka te hau ki te tonga. Kia mākinakina ki uta, Kia mātaratara ki tai. E hī ake ana te atākura. He tio, he huka, he hauhū. Tihei Mauri Ora!</b>	Cease oh winds of the west and of the south Let the bracing breezes flow, over the land and the sea. Let the red-tipped dawn come with a sharpened edge, a touch of frost, a promise of a glorious day
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At the appropriate time, the following karakia will be read to close the hui.

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

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the hui, where leave of absence has not previously been granted.

## 1.3 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## 1.4 Confirmation of Minutes

The minutes of the meeting held on 15 February 2024 will be put to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for confirmation.

## 1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows.

***Matters Requiring Urgent Attention as Determined by Resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.***

The Chairperson shall state to the hui:

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent hui.

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The item may be allowed onto the agenda by resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

***Minor Matters relating to the General Business of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.***

The Chairperson shall state to the hui that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent hui of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for further discussion.

### **1.6 Public Participation**

A maximum of 60 minutes is set aside for public participation at the commencement of any hui of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral, or electronic application to address the hui setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the hui concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz), by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 499 4444 and asking to speak to Democracy Services.



## 2. General Business

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### CCO 23/24 QUARTER 2 REPORT

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#### Kōrero taunaki | Summary of considerations

##### Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee provides the Committee with a review of the 23/24 financial year second quarter reports submitted by Council-controlled Organisations.

##### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
  
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

##### Strategic alignment with priority objective areas from Long-term Plan 2021–2031

##### Relevant Previous decisions

##### Financial considerations

- Nil       Budgetary provision in Annual Plan / Long-term Plan       Unbudgeted \$X

##### Risk

- Low       Medium       High       Extreme

2. This paper is assessed as low risk using the enterprise risk framework. The paper is not expected to introduce or exacerbate any risks to WCC.

Author	Jamie Crump, Manager CCO Partnerships & Planning
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

## **Taunakitanga | Officers' Recommendations**

Officers recommend the following motion

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

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

## **Whakarāpopoto | Executive Summary**

3. Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee is tasked with monitoring the performance of our Council-controlled Organisations (CCOs). Quarter two (Q2) reports have been received from all our CCOs.
4. Our CCOs delivered another strong performance during Q2 with all visitor related organisations apart from the Cable Car surpassing their quarterly visitation targets.
5. The tracking of CCOs KPI performance is reported on in Wellington City Council's overall Q2 report. Performance to date is in line with expectations. CCOs have a total of 15 KPIs, 11 of which are reported quarterly. Of the 11 that are reported quarterly all but one met their target this quarter.
6. Highlights from Q2 include:
  - Zealandia was awarded the highest tourism accolade—the Air New Zealand Supreme Tourism award—for its sustainable and regenerative business.
  - Te reo Māori ingoa were adopted for both Wellington Zoo and Experience Wellington
    - i. Wellington Zoo - Te Nukua o Tūroa o Te Whanganui a Tara (*The Enduring Haven for Nature in the Wellington Harbour*)
    - ii. Experience Wellington - Wheako Pōneke (*"Poneke" is in reference to the celestial stars that maintain a constant presence in the night sky and "Wheako" being a translation for "Experience"*)
  - Sky Stadium successfully hosted the inaugural round of the new women's rugby World WXV rugby tournament.
  - The Cable Car welcomed its millionth passenger for the 2023 calendar year, and 30 December was one of its busiest every days with 7,000+ casual passengers.
  - WellingtonNZ helped deliver and market a strong events programme across the city, including the Wellington Jazz Festival, the opening of Tākina's first summer exhibition - Marvel: Earth's Mightiest Exhibition and WoW™
  - The upgrade of the picket fence at the Basin Reserve was completed.

## Takeknga mai | Background

7. Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee is tasked with monitoring the performance of the following entities:
  - Basin Reserve Trust
  - Karori Sanctuary Trust (trading as Zealandia)
  - Wellington Cable Car Limited
  - Wellington Museums Trust (trading as Experience Wellington)
  - Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ)
  - Wellington Regional Stadium Trust (trading as Sky Stadium)
  - Wellington Zoo Trust
8. Wellington Regional Economic Development Agency Ltd is jointly owned (80%/20%) by the Wellington City Council and the Greater Wellington Regional Council respectively.
9. In terms of a Court Of Appeal Judgement (CA164/04) on 6 September 2005 between the Commissioner of Inland Revenue and the Wellington Regional Stadium Trust, it was established that Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust and accordingly the Trust is not a CCO.
10. In recognition of the Council's original investment in the Wellington Regional Stadium Trust and the non-recourse loan from Council to the Trust that was fundamental in the establishment of the Trust and the building of the stadium, the relationship operates as if the Trust was a CCO. This approach is consistent with the Greater Wellington Regional Council's relationship with the Trust. As agreed between the Councils the Trust reports on a six-monthly basis.

## Kōrerorero | Discussion

11. Quarterly reports have been received from the following entities for consideration by the Committee and are attached as appendices:
  - Basin Reserve Trust
  - Karori Sanctuary Trust (trading as Zealandia)
  - Wellington Cable Car Limited
  - Wellington Museums Trust (trading as Experience Wellington)
  - Wellington Regional Economic Development Agency Ltd (trading as WellingtonNZ)
  - Wellington Regional Stadium Trust (trading as Sky Stadium)
  - Wellington Zoo Trust
12. The Q2 reports have been reviewed by Council Officers to assess any risks or issues and where any significant issues were identified these have been discussed with the relevant entity.

### **Operating context / trading environment**

13. *Constrained economic environment:* the current economic environment is impacting discretionary income, which has impacts across CCOs, events and tourism making it more challenging to achieve target outcomes.

14. *Cost Escalation:* Cost pressures continue to be a challenge for CCOs. This was acknowledged through the annual plan operating grant funding review and living wage assistance support for CCOs. Cost pressures however remain - particularly staff remuneration. Cost control within CCOs will be monitored closely with the support of the WCC Finance Team. All CCOs are proactively looking at ways to reduce costs and increase revenue generation.

















#### **CCO 23/24 Q1 Summaries**

15. The upgrade of the **Basin Reserve** picket fence was completed and the plaque project is now underway. Beers at the Basin was also held during the quarter – albeit a cold and windy event.
16. **Karori Sanctuary Trust (Zealandia)** was awarded the highest tourism accolade—the Air New Zealand Supreme Tourism award—for its sustainable and regenerative business. Visitation remained high through the second quarter, with tours proving particularly appealing. December tours attendance was up around 30% year on year.
17. **Wellington Museums Trust (Experience Wellington)** had 165,767 visitors during Q2 across its sites. The refreshed Cable Car Museum opened during November creating for a better visitor experience and enhanced retail opportunities. The quarter also saw the launch of Wheako Pōneke – the Te Reo Māori ingoa for Experience Wellington.
18. Whilst the **Wellington Cable Car** fell slightly short of its Q2 passenger target due to cruise ship cancellations, YTD cumulative passenger numbers are tracking 3.1% ahead of target, and 24% above the same period last year. Cable Car fare revenue YTD is also significantly higher than the same time last year (\$1.693m v \$1.243m). December 30 saw the Cable Car have its busiest day of the year with 7,109 casual passengers (i.e. excluding students, commuters and Gold Car holders).
19. **Wellington Regional Economic Development Agency Ltd's (WellingtonNZ)** helped deliver and market a strong events programme across the city, including the Wellington Jazz Festival, the opening of Tākina's *Marvel: Earth's Mightest Exhibition* and WoW™. WoW had another successful season with attendance of 59,547, and 63% of the audience coming from outside of the Wellington region. WellingtonNZ's innovation specialists achieved impressive results during the quarter assisting 70 innovator companies (annual target of 120) and generating 230 Callaghan Innovation product referrals, nearly meeting the annual target of 240 by the close of Q2.
20. **Wellington Regional Stadium Trust (Sky Stadium)** successfully hosted the inaugural round of the new women's rugby World WXV rugby tournament. The financial result for the 6 months to 31 December 2023 was a net surplus of \$1.5m compared to a budgeted loss of \$0.5m. The hosting of the FIFA Women's World Cup during quarter one had a significant positive impact on the Stadium's financial performance.
21. A te reo Māori ingoa was adopted for **Wellington Zoo** – Te Nukuao Tūroa o Te Whanganui a Tara (*The Enduring Haven for Nature in the Wellington Harbour*). Shortened to 'Te Nukuao Wellington Zoo' for general use. Visitor numbers were strong at 124,774 YTD for FY23/24 (almost 5,000 ahead of target) and retail sales were ahead of target YTD by \$140k.

#### **Ngā mahinga e whai ake nei | Next actions**

22. Not applicable.

## Attachments

Attachment 1.	BRT Q2 Report_2023-24 <a href="#">↓</a> 	Page 14
Attachment 2.	BRT_Balance Sheet_ Dec 2023 <a href="#">↓</a> 	Page 16
Attachment 3.	BRT_P&L_December 2023 <a href="#">↓</a> 	Page 17
Attachment 4.	Karori_Sanctuary_Trust_Inc__ - Balance_Sheet Dec23 <a href="#">↓</a> 	Page 19
Attachment 5.	Karori_Sanctuary_Trust_Inc__ - Profit_and_Loss YTD Dec23 <a href="#">↓</a> 	Page 20
Attachment 6.	Karori_Sanctuary_Trust_Inc__ - Statement_of_Cash_Flows YTD Dec23 <a href="#">↓</a> 	Page 21
Attachment 7.	KST_Q2 Report_2023-24 <a href="#">↓</a> 	Page 22
Attachment 8.	WCCL_Q2 Financials_2023-24 <a href="#">↓</a> 	Page 24
Attachment 9.	WCCL_Q2 Report_2023-24 <a href="#">↓</a> 	Page 31
Attachment 10.	WMT_Q2 Report_2023-24 <a href="#">↓</a> 	Page 34
Attachment 11.	WMT_Statement of Financial Performance_Dec 2023 <a href="#">↓</a> 	Page 37
Attachment 12.	WMT_Statement of Financial Position_31 December 2023 <a href="#">↓</a> 	Page 38
Attachment 13.	WRST Half year Financials Dec 2023 <a href="#">↓</a> 	Page 39
Attachment 14.	WRST Half Year Report Dec 2023 <a href="#">↓</a> 	Page 44
Attachment 15.	WZT_Q2 Report_2023-24 <a href="#">↓</a> 	Page 53
Attachment 16.	WellingtonNZ Q2 Report_2023-24 <a href="#">↓</a> 	Page 59

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**Basin Reserve Trust**

**Report to the Wellington City Council LTP, Finance & Performance Committee**  
**Second Quarter ending 31<sup>st</sup> December 2023**

**Highlights**

- Picket fence completed and plaque project underway
- Beers at the Basin held – albeit a cold and windy event
- All infrastructure assembled for the summer of cricket
- Draft of Heritage plan now available
- Domestic cricket underway including the very popular Super Smash series

**Challenges**

The big screen at the Basin is 17 years old and replacement parts are no longer available. Needs to be replaced in 2024.

**Performance Measures (KPIs) in the SOI 2023/24**

Performance Measures (Quarterly Targets)

Measure	Annual Target	YTD	Q2 Target	Q2 Actual	Comments
Cricket Events	56	26	26	26	The season is underway and we are tracking well
Other Sports Events	24	0	0	0	Winter sport will commence in April
Community Events	2	1	1	0	Beers at the Basin was held in November
Functions	60	35	15	23	Functions tracking well

Performance Measures (Annual Targets)

Measure	Annual Target	YTD	Comments
Practice Facility Usage	100	52	The teams are making great use of the practice facilities
Numbers Attending Events	55,000	13,600	Numbers are looking good with a sold out test



				match against Australia and White ferns vs England games to come
Event Income	\$465,820	\$126,500		Will increase significantly with the Aussie test to come
Council Operating Grants	\$735,000	\$735,000		
Cash Subsidy (per attendance)	13.36	\$54.04		Will improve significantly by the end of Quarter 3

Financial Performance Summary						
	Year to Date (\$000s)			Full Year (\$000s)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue	684	504	180	1251	1072	179
Expenditure	619	585	(34)	1254	1219	(35)
Net Surplus/Deficit	65	(80)	145	(3)	(147)	144

Coming Up
<ul style="list-style-type: none"> <li>· Commencement of the summer of cricket including Plunket Shield, Halyburton Johnson, Ford Trophy and Super Smash Games</li> <li>· Various community events to be held including a Kilikiti (Samoan Cricket) day in March, corporate and Wanderers days planned</li> <li>· Black and Gold Conferences and Events, including a busy Christmas period</li> <li>· Storage shed construction underway</li> <li>· Painting of the groundmen's sheds</li> <li>· The security team at the WCC are working with us to upgrade the security cameras and lighting at the Basin, we will then switch to the council security monitoring.</li> </ul>

MYOB / Excel

Trustees in The Basin Reserve Trust				
P.O. Box 578 Wellington				
<b>Balance Sheet</b>				
As of December 2023				
<b>Assets</b>				
<b>Current Assets</b>				
Cash at Bank and on Hand				
Westpac Cheque Account	\$14,976.55			
Westpac Savings Account	\$246,079.26			
<b>Total Cash at Bank and on Hand</b>		<b>\$261,055.81</b>		
<b>Receivables</b>				
Accounts Receivable	\$218,355.64			
Recoverable Expenses	\$3,618.09			
<b>Total Receivables</b>		<b>\$221,973.73</b>		
<b>Total Current Assets</b>			<b>\$483,029.54</b>	
<b>Fixed Assets</b>				
Fixed Assets Opening Cost		\$770,894.00		
Fixed Asset Additions		\$14,000.00		
Fixed Asset Accum Depreciation		(\$430,025.00)		
<b>Total Fixed Assets</b>			<b>\$354,869.00</b>	
<b>Total Assets</b>				<b>\$837,898.54</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable		\$52,104.03		
Accrued Expenses		\$187,523.73		
Income Received in Advance		\$23,360.00		
GST Collected		\$28,481.17		
GST Paid		(\$21,389.42)		
<b>Total Current Liabilities</b>			<b>\$270,079.51</b>	
<b>Total Liabilities</b>				<b>\$270,079.51</b>
<b>Net Assets</b>				<b>\$567,819.03</b>
<b>Equity</b>				
Opening Retained Earnings			\$561,111.42	
Current Earnings			\$6,607.61	
Settlers Fund			\$100.00	
<b>Total Equity</b>				<b>\$567,819.03</b>



**Profit & Loss [With Year to Date]**

October 2023 To December 2023

Email: cphealy@xtra.co.nz

	Selected Period	Year to Date
<b>Income</b>		
Grant Income		
Grant Wellington City Council	\$0.00	\$382,274.00
<b>Total Grant Income</b>	<b>\$0.00</b>	<b>\$382,274.00</b>
Ground Hire Income		
Ground Hire Domestic Cricket	\$27,500.00	\$27,500.00
Ground Hire Other Events	\$30,000.00	\$40,952.00
<b>Total Ground Hire Income</b>	<b>\$57,500.00</b>	<b>\$68,452.00</b>
Other Income		
Concession Income	\$28,204.03	\$35,704.03
Sponsorship	\$21,880.50	\$43,761.00
Picket Fence Income	\$0.00	\$126.03
Rental Income	\$1,500.00	\$7,167.00
Miscellaneous Income	\$105,874.47	\$105,874.47
<b>Total Other Income</b>	<b>\$157,459.00</b>	<b>\$192,632.53</b>
Interest Income		
Interest Income	\$1,304.93	\$5,724.58
<b>Total Interest Income</b>	<b>\$1,304.93</b>	<b>\$5,724.58</b>
<b>Total Income</b>	<b>\$216,263.93</b>	<b>\$649,083.11</b>
<b>Gross Profit</b>	<b>\$216,263.93</b>	<b>\$649,083.11</b>
<b>Expenses</b>		
Building Expenses		
Repairs & Maintenance	\$22,758.32	\$22,612.19
Cleaning	\$4,220.92	\$4,657.10
Fire System	\$4,218.51	\$8,871.61
Pest Control	\$4,888.48	\$7,789.48
Other	\$422.61	\$422.61
<b>Total Building Expenses</b>	<b>\$36,508.84</b>	<b>\$44,352.99</b>
Ground Expenses		
Electrical Services	\$107.88	\$107.88
Equipment Hire	\$2,620.91	\$2,620.91
Cleaning	\$2,164.50	\$2,164.50
Rubbish Removal	\$7,632.38	\$10,607.39
Structures Repairs & M	\$698.05	\$698.05
Turf Management	\$228,315.03	\$228,315.03
<b>Total Ground Expenses</b>	<b>\$241,538.75</b>	<b>\$244,513.76</b>
Occupancy Expenses		
Gas	\$5,123.53	\$8,903.55
Electricity	\$8,269.71	\$17,167.54
Rates	\$14,555.12	\$29,110.24
Security	\$11,066.77	\$16,817.08
Telephones & Internet	\$546.05	\$1,654.60
Water Rates	\$13,865.63	\$14,382.46
Television	\$1,297.35	\$2,594.70
Insurance	\$0.00	\$657.50
Consumables Laundry & Toilet	\$3,089.48	\$11,165.48
<b>Total Occupancy Expenses</b>	<b>\$57,813.64</b>	<b>\$102,453.15</b>
Event Running Expenses		
Event Running	\$5,225.00	\$8,847.60

This report includes Year-End Adjustments.

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Trustees in The Basin Reserve Trust

P.O. Box 578  
Wellington

**Profit & Loss [With Year to Date]**

October 2023 To December 2023

Email: cphealy@xtra.co.nz

	Selected Period	Year to Date
Total Event Running Expenses	\$5,225.00	\$8,847.60
Administration Expenses		
Accounting	\$3,000.00	\$6,000.00
Bank Fees	\$13.11	\$46.47
Consultants	\$15,430.50	\$27,000.50
Management Fee	\$22,500.00	\$50,000.00
Total Administration Expenses	\$40,943.61	\$83,046.97
Other Expenses		
Marketing	\$5,156.51	\$12,192.49
Miscellaneous Expenses	\$192.27	\$191.39
Picket Fence Expenses	\$67.82	\$373.04
Grant Wellington City Council	\$71,992.34	\$105,874.11
Total Other Expenses	\$77,408.94	\$118,631.03
Depreciation Expense		
Depreciation Expense	\$20,315.00	\$40,630.00
Total Depreciation Expense	\$20,315.00	\$40,630.00
Total Expenses	\$479,753.78	\$642,475.50
Operating Profit	-\$263,489.85	\$6,607.61
Net Profit/(Loss)	-\$263,489.85	\$6,607.61

This report includes Year-End Adjustments.

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# Balance Sheet

Karori Sanctuary Trust Inc.

As at 31 December 2023

31 DEC 2023

## Assets

### Current Assets

Bank	5,052,573
Accounts Receivable	190,259
Prepayments	125,754
Stock on Hand	87,659
Investments	130,555
<b>Total Current Assets</b>	<b>5,586,800</b>

Fixed Assets 3,693,778

**Total Assets 9,280,578**

## Liabilities

### Current Liabilities

Accounts Payable and Accruals	493,147
GST	76,153
Holiday Pay Accrued	200,826
Income in Advance	496,687
<b>Total Current Liabilities</b>	<b>1,266,813</b>

Non-current Liabilities 1,512,229

**Total Liabilities 2,779,042**

**Net Assets 6,501,536**

## Equity

Accumulated Funds	6,501,536
<b>Total Equity</b>	<b>6,501,536</b>

## Profit and Loss

**Karori Sanctuary Trust Inc.**  
**For the 6 months ended 31 December 2023**

JUL-DEC 2023

<b>Income</b>	
<b>Trading Income</b>	
Admissions	581,199
Membership	249,871
Other trading revenue	1,815,425
<b>Total Trading Income</b>	<b>2,646,495</b>
Other Operating Income	1,207,108
Non-Operating Income	134,404
<b>Total Income</b>	<b>3,988,007</b>
<b>Operating Expenses</b>	
Salaries and Wages	2,299,756
Cost of Goods Sold	480,012
Other Operating Expenses	339,287
Trustee Expenses	86,827
Administration Costs	220,034
Interest Expense	24,066
STAPP Loan adjustment	15,096
<b>Total Operating Expenses</b>	<b>3,465,077</b>
<b>Net Surplus/(Deficit) before Depreciation and Tax</b>	<b>522,930</b>
<b>Other Expenses/(Income)</b>	
Depreciation Expense	127,772
<b>Total Other Expenses/(Income)</b>	<b>127,772</b>
<b>Net Profit</b>	<b>395,158</b>

# Statement of Cash Flows

Karori Sanctuary Trust Inc.  
For the 6 months ended 31 December 2023

JUL-DEC 2023

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## Operating Activities

Receipts from customers	3,869,658
Payments to suppliers and employees	(3,428,581)
Interest received	170,391
Cash receipts from other operating activities	71,238
<b>Net Cash Flows from Operating Activities</b>	<b>682,707</b>

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## Investing Activities

Payment for property, plant and equipment	(468,449)
<b>Net Cash Flows from Investing Activities</b>	<b>(468,449)</b>

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<b>Net Cash Flows</b>	<b>214,258</b>
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## Cash and Cash Equivalents

Cash and cash equivalents at beginning of period	4,838,315
Cash and cash equivalents at end of period	5,052,573
<b>Net change in cash for period</b>	<b>214,258</b>



**Zealandia Te Māra a Tāne**  
**Report to the Wellington City Council LTP, Finance & Performance Committee**  
**Second Quarter ending 31 December 2023**

Highlights
<ul style="list-style-type: none"> <li> <p><b>Tourism award:</b> In November Zealandia was awarded the highest tourism accolade—the Air New Zealand Supreme Tourism award—for our sustainable and regenerative business.</p> <p><i>“Zealandia Te Māra a Tāne is a beacon of sustainability... With a mission to foster understanding of New Zealand's culture and environmental preservation, Zealandia stood out with rich data, visionary planning, and strong community support from 500 volunteers. Judges praised its long history of "doing good things," dubbing it a worthy exemplar, showing New Zealand where it needs to head.”</i></p> <p>NZ Herald: ‘One for the birds’: The big winners in the New Zealand Tourism Awards  <a href="https://www.nzherald.co.nz/business/the-big-winners-in-the-new-zealand-tourism-awards/55642IV3RRHK3OJ6UYWFLQ5PNI/">https://www.nzherald.co.nz/business/the-big-winners-in-the-new-zealand-tourism-awards/55642IV3RRHK3OJ6UYWFLQ5PNI/</a></p> </li> <li> <p><b>Weasel incursion:</b> In October a weasel was found dead in a trap in the sanctuary. Weasels are voracious predators of the native species that call Zealandia home. This kicked off an incursion response where the fence was thoroughly checked, more traps were set, and dogs were used to detect any remaining intruders. The sanctuary has been declared pest free again after no further sign was detected.</p> <p>TV1 News: Weasel trapped inside Zealandia wildlife sanctuary  <a href="https://www.1news.co.nz/2023/10/21/weasel-trapped-inside-zealandia-wildlife-sanctuary/">https://www.1news.co.nz/2023/10/21/weasel-trapped-inside-zealandia-wildlife-sanctuary/</a></p> </li> <li> <p><b>Visitation:</b> remained high through the second quarter, with tours proving particularly appealing for our guests. Attendance on tours in December was up around 30% on the 2022 numbers.</p> </li> <li> <p><b>Social media growth:</b> Zealandia’s social media presence grew significantly last quarter, now boasting nearly 80,000 followers across our platforms and over half a million people interacting with our content (a 36.3% increase from the previous quarter). This engagement is helping us reach new audiences, both enhancing people’s connection with nature and brand awareness.</p> <p>An example of our best performing posts: <a href="#">The Zealandia Fence</a></p> <p>To date this post has:</p> <p><i>TikTok - 1.2M views   74K likes   336 Comments   1.9K saves.</i></p> <p><i>Instagram – 252K views   7.8K likes   56 comments   233 shares   339 saves.</i></p> </li> <li> <p><b>Tanglewood House:</b> received its roof on 23 December, a big milestone for the project.</p> </li> </ul>

Challenges
<ul style="list-style-type: none"> <li>The weasel incursion was significantly challenging for conservation operations, as other activities must stop to prioritise the response.</li> <li>Zealandia is continuing conversations with WCC officers regarding the LTP operations grant. The current proposal for only a proportion of the CPI to be provided over the next three years effectively reduces the operating grant. This places additional pressures on the organisation in a difficult financial environment, and we would like to ensure Councillors are aware that this will have operational impacts into the future.</li> <li>Membership renewals are a key area of focus as the cost-of-living crisis continues.</li> </ul>

Performance Measures (KPIs) in the SOI 2023/24					
Non-Financial Performance Measures (Quarterly Targets)					
Measure	2023/24 Quarter 2		2023/24 Annual		Tracking
	Actual	Target	Actual (YTD)	Target (YTD)	
Visitation	39,526	31,000	64,754	45,000	On track
Education Visits <sup>1</sup>	1,922	1,400	4,001	2,200	On track

<sup>1</sup> Sanctuary visits by schools, tertiary, early childhood, school holiday programme, and outreach. Education sanctuary visits (not outreach) are also included in total visitation numbers above.

Non-Financial Performance Measures (Annual Targets)				
Measure	Actual (YTD)	2023/24 Annual Target	Tracking	
Individual Members	15,404	16,500	Not yet at target	
Number of Volunteers	536	>500	On track	
Volunteer Satisfaction Survey <sup>2</sup>	TBC	80%		
Percentage of Satisfied Visitors	98.5	>95%	On track	

<sup>2</sup>Annual volunteer satisfaction survey due to be completed in quarter four.

Financial Performance Measures			
Measure	Actual (YTD)	Annual Target 2023/24	Tracking
Average subsidy per visit (Total WCC operating grant/all visitors)	\$11.44	\$11.56	On track
Average revenue per visitation (excludes Council & Government grants)	\$39.60	\$28.38	On track
Non-Council Donations/Funding	\$466,172	\$200,000	On track
Non-WCC grant revenues as a % of overall revenue	81.4%	>%75%	On track
Membership subscription revenue	\$249,871	\$400,000	On track

Financial Performance Summary						
	Year to Date (\$000s)			Full Year (\$000s)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue	3988	3341	647	7281	7122	159
Expenditure	3593	3555	38	7148	7010	138
Net Surplus/Deficit	395	-214	609	134	113	21

Coming Up
<ul style="list-style-type: none"> <li>Tanglewood House is continuing at pace following the addition of a roof just before Christmas. We are anticipating completion later this year, and this will provide an exceptional resource for our organisation.</li> <li>While we have had a good year of visitation and revenue, we are continuing to focus on recovering working capital following the effects of Covid-19. This means containing costs and maximising opportunities for revenue.</li> <li>The team is planning for some key conservation and engagement opportunities, including a Takahē stakeholder event, a second toitoi/common bully reintroduction, and continued work on the pine trees.</li> </ul>



## Quarterly Report to WCC

Wellington Cable Car Limited  
For the 3 months ended 31 December 2023



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- 4    Profit and Loss
- 6    Balance Sheet
- 7    Statement of Cash Flows



## Compilation Report

### Wellington Cable Car Limited For the 3 months ended 31 December 2023

Compilation Report to the Directors of Wellington Cable Car Limited.

#### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the quarterly financial statements of Wellington Cable Car Limited for the quarter ended 31 December 2023.

These statements have been prepared in accordance with the notes as detailed in the latest Annual Report.

#### Responsibilities

The Directors are solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

#### No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

#### Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.

Director  
BDO Wellington Limited  
Level 1, 50 Customhouse Quay  
Wellington

Dated: 19 January 2024

## Profit and Loss

### Wellington Cable Car Limited For the 3 months ended 31 December 2023

	Q2 - ACTUAL	Q2 - SOI	VARIANCE TO SOI	Q2 - REFORECAST	VARIANCE TO REFORECAST	YTD - ACTUAL	YTD - SOI	VARIANCE TO SOI	YTD - REFORECAST	VARIANCE TO REFORECAST
<b>Trading income</b>										
Cable Car Income	1,055,775	1,013,600	42,175	1,013,600	42,175	1,693,140	1,520,900	172,240	1,520,900	172,240
Net Merchandise Income	8,117	2,000	6,117	2,000	6,117	11,099	2,750	8,349	2,750	8,349
<b>Total Trading income</b>	<b>1,063,892</b>	<b>1,015,600</b>	<b>48,292</b>	<b>1,015,600</b>	<b>48,292</b>	<b>1,704,239</b>	<b>1,523,650</b>	<b>180,589</b>	<b>1,523,650</b>	<b>180,589</b>
<b>Cost of Sales</b>										
Cable Car Operations	87,333	88,850	(1,517)	88,850	(1,517)	169,237	184,701	(15,464)	184,701	(15,464)
Cable Car Maintenance	33,274	136,756	(103,482)	136,756	(103,482)	129,289	240,136	(110,847)	240,136	(110,847)
Cable Car Wages	366,502	386,420	(19,918)	388,760	(22,258)	688,648	726,018	(37,370)	729,842	(41,194)
Depreciation	83,068	77,410	5,658	77,410	5,658	163,148	155,304	7,844	155,304	7,844
Administration expenses	213,653	254,430	(40,777)	216,931	(3,278)	428,750	512,405	(83,655)	437,409	(8,659)
<b>Total Cost of Sales</b>	<b>783,831</b>	<b>943,866</b>	<b>(160,035)</b>	<b>908,707</b>	<b>(124,876)</b>	<b>1,579,072</b>	<b>1,818,564</b>	<b>(239,492)</b>	<b>1,747,392</b>	<b>(168,320)</b>
<b>Operating Surplus/(Loss)</b>	<b>280,061</b>	<b>71,734</b>	<b>208,327</b>	<b>106,893</b>	<b>173,168</b>	<b>125,167</b>	<b>(294,914)</b>	<b>420,081</b>	<b>(223,742)</b>	<b>348,909</b>
<b>Sundry Income</b>										
Interest Income	65,531	45,000	20,531	45,000	20,531	135,788	90,000	45,788	90,000	45,788
Other Income	1,679	-	1,679	-	1,679	1,679	-	1,679	-	1,679
<b>Total Sundry Income</b>	<b>67,210</b>	<b>45,000</b>	<b>22,210</b>	<b>45,000</b>	<b>22,210</b>	<b>137,467</b>	<b>90,000</b>	<b>47,467</b>	<b>90,000</b>	<b>47,467</b>
<b>Total Operating Surplus/(Loss) before Grants</b>	<b>347,271</b>	<b>116,734</b>	<b>230,537</b>	<b>151,893</b>	<b>195,378</b>	<b>262,635</b>	<b>(204,914)</b>	<b>467,549</b>	<b>(133,742)</b>	<b>396,377</b>
<b>Grant Income</b>										
WCC LTP Funding grant	42,400	125,000	(82,600)	124,999	(82,599)	163,666	250,000	(86,334)	250,000	(86,334)
<b>Total Grant Income</b>	<b>42,400</b>	<b>125,000</b>	<b>(82,600)</b>	<b>124,999</b>	<b>(82,599)</b>	<b>163,666</b>	<b>250,000</b>	<b>(86,334)</b>	<b>250,000</b>	<b>(86,334)</b>



Profit and Loss

	Q2 - ACTUAL	Q2 - SOI	VARIANCE TO SOI	Q2 - REFORECAST	VARIANCE TO REFORECAST	YTD - ACTUAL	YTD - SOI	VARIANCE TO SOI	YTD - REFORECAST	VARIANCE TO REFORECAST
<b>Surplus/(Loss) before Tax</b>	389,672	241,734	147,938	276,892	112,780	426,300	45,086	381,214	116,258	310,042
<b>Taxation</b>										
Income Tax Expense	80,780	-	80,780	-	80,780	119,824	-	119,824	-	119,824
<b>Surplus/(Loss) after Tax</b>	308,891	241,734	67,157	276,892	31,999	306,476	45,086	261,390	116,258	190,218

# Balance Sheet

## Wellington Cable Car Limited

As at 31 December 2023

	31 DEC 2023	30 SEP 2023
<b>Assets</b>		
<b>Current Assets</b>		
Bank accounts	2,585,251	2,142,123
Term deposits	2,510,000	2,505,753
Inventories	24,605	24,474
Accounts Receivable	127,395	48,361
Sundry debtors & prepayments	338,857	479,803
Income Tax Receivable	-	29,429
<b>Total Current Assets</b>	<b>5,586,109</b>	<b>5,229,943</b>
<b>Non-Current Assets</b>		
Cable car equipment	5,286,483	5,342,787
Cable car tracks & wires	2,628,109	2,583,268
Cable car spare parts	491,660	498,901
Furniture & fittings	28,660	29,715
Computer equipment	41,234	40,540
Computer software	-	10
<b>Total Non-Current Assets</b>	<b>8,476,145</b>	<b>8,495,222</b>
<b>Total Assets</b>	<b>14,062,254</b>	<b>13,725,165</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade & other payables	241,209	296,350
GST Payable	89,701	5,682
Income in Advance	3,551	5,016
Income Tax Payable	52,299	-
<b>Total Current Liabilities</b>	<b>386,759</b>	<b>307,048</b>
<b>Non-Current Liabilities</b>		
Deferred Tax	1,174,098	1,183,212
LTP Funding	628,953	671,354
<b>Total Non-Current Liabilities</b>	<b>1,803,052</b>	<b>1,854,565</b>
<b>Total Liabilities</b>	<b>2,189,811</b>	<b>2,161,614</b>
<b>Net Assets</b>	<b>11,872,443</b>	<b>11,563,552</b>
<b>Shareholder's Funds</b>		
Ordinary shares	7,434,846	7,434,846
Retained Earnings	4,437,597	4,128,706
<b>Total Shareholder's Funds</b>	<b>11,872,443</b>	<b>11,563,552</b>



## Statement of Cash Flows

### Wellington Cable Car Limited For the 3 months ended 31 December 2023

	OCT-DEC 2023	JUL-SEP 2023
<b>Statement of Cash Flows</b>		
<b>Net cash flows from Operating Activities</b>		
Receipts from grants	-	588,000
Receipts from operations	985,148	610,744
Payments to suppliers and employees	(621,427)	(1,220,410)
Income tax refunded/(paid)	(8,166)	(17,501)
Net GST	84,018	5,548
<b>Total Net cash flows from Operating Activities</b>	<b>439,573</b>	<b>(33,619)</b>
<b>Net cash flows from Investing Activities</b>		
(Payment for)/receipt from property, plant and equipment	(63,991)	(196,545)
(Payment for)/receipt from investments	67,546	462,503
<b>Total Net cash flows from Investing Activities</b>	<b>3,555</b>	<b>265,958</b>
Net Cash Flows	443,128	232,339
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	2,142,123	1,909,784
Net change in cash for period	443,128	232,339
Cash and cash equivalents at end of period	2,585,251	2,142,123



## WELLINGTON CABLE CAR LTD

### Report to the Wellington City Council LTP, Finance & Performance Committee FY24 - Second Quarter ending 31 December 2023

#### Highlights

- On 30 December we had our busiest day of the year with 7,109 casual passengers (ie: excluding students, commuters, and Gold Card) riding the cars. We also welcomed our millionth passenger for the 2023 year - the first time we've hit that milestone since before the pandemic. The milestone received good press coverage.
- Whilst we fell slightly short of our Q2 passenger target due to ship cancellations, YTD cumulative passenger numbers are tracking at 3.1% over SOI budget, and 24.2% above FY23.
- Cable car revenue for Q2 was \$1,056m - higher than the SOI budget of \$1,013m. Year to date revenue for FY24 is also significantly higher than the same time last year (\$1,693k vs \$1,243m for YTD FY23). Net profit before LTP Funding and income tax is \$263k YTD.
- On 1 October Snapper was removed as a form of payment on the Cable Car. A detailed transition project was implemented with key milestones successfully met and minimum disruption for our frequent travellers.
- In October we completed phase two of installing Feather Friendly® bird decals on the Kelburn Terminal. To date there have been no further bird strikes.
- We developed a winding room activation for WCC's Seniors Week - Te Wiki Kaumātua.
- We extended our visibility within the student community by accepting International Student Identity Cards (for international students studying in NZ) and increased our online presence through the ISIC website.
- We undertook an internal review of our auditory, visual and mobility accessibility, and developed upgraded website content. We also engaged with Be Accessible, WCC, and met with the team behind the Hāpai Access card to see how the Cable Car can get involved.
- Our inaugural 'Dogs of the Cable Car Calendar' was launched. Positive sales figures will see approximately \$5,000 donated to the Blind Low Vision Guide Dogs Programme.
- Although breakdowns are rare, we implemented a text alert process through Spark, ensuring our local commuters are alerted when we are not running. This has received a positive response from the community with around 400 signups.

#### Challenges

- The initial rollout of the Customer Management Plan for the cruise/summer season has been successful, however the need to manage queues and overflow onto Lambton Quay on busy days has been identified as a focus area. We have made some changes including suspending online sales on days when more than 2,000 passengers are expected and will continue to monitor.
- We have still not heard back from Worksafe regarding the applicability of the Passenger Ropeway Regulations to the Wellington Cable Car. Further legal advice noted that it would be very unlikely that WorkSafe would prosecute an organisation that is proactively reaching out to the regulator to understand its obligations (particularly where there have been significant delays in WorkSafe's response, and where another regulatory regime is in place with similar objectives ie: WCCL has a safety case approved by Waka Kotahi pursuant to the Railways Act)



Performance Measures (KPIs) in the SOI					
QUARTERLY MEASURES					
MEASURE	ACTUAL (FY24 Q2)	SOI TARGET (FY24 Q2)	ACTUAL (YTD)	SOI TARGET (YTD)	TRACKING
Tickets sold	277,410	291,000	465,977	452,000	On track
Fare revenue	\$1,055,775	\$1,013,600	\$1,693,140	\$1,520,900	On track
ANNUAL MEASURES					
MEASURE			ACTUAL (YTD)	SOI TARGET (YTD)	TRACKING
Achieve Carbon Zero accreditation			Achieved	Achieve	On track
Waste minimisation reduction				5% YOY	Not on track
Rail Safety Licence				Maintain	On track
Active management of Health and Safety				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

Financial Performance Summary						
	Year to Date (\$000s)			Full Year (\$000s)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Revenue	1,841	1,613	228	3,860	3,602	258
Expenditure	1,579	1,818	(239)	3,238	3,524	(286)
Net Surplus/Deficit before Grants	262	(205)	467	622	78	544
WCC Grants	-	-	-	-	-	-
Recognition of LTP Grant utilised	164	250	(86)	284	250	34
Net Surplus/Deficit after Grants	426	45	381	906	328	578

Coming Up	
•	March will see some of our busiest ever days with several double-ship days bringing over 7,000 passengers a day.
•	Fare revenue of \$1,295m is targeted for Q3 and the SOI Budget anticipates net profit before tax of \$457k (excluding any release of LTP Funding as income).
•	We have reforecast expenditure for the remainder of the year, resulting in full year forecasted net profit before tax and LTP Funding of \$628k.
•	We are meeting with Deloitte, as Tax advisors for Council, on Friday 26 <sup>th</sup> February to agree processes for utilising Council tax losses to offset WCCL's taxable income.
•	A Detailed Seismic Assessment of the Bridges is underway and is expected to be completed in late March 2024.
•	We are working with Victoria University to finalise the easement for our tunnel strengthening anchors.





- We are starting to look more closely at our electricity use to better understand our opportunities to reduce consumption. We have recently made some small changes which appear to have achieved savings in the last quarter. Electricity use has reduced by 11.5% in Oct, 11.8% in Nov and 5.0% Dec compared to last year.
- Following the recommendation from our auditors, we have determined the costs for almost all our spare parts. We are working on the estimated useful life and hope to determine this as best we can in Q3.
- We will investigate installation of solar panels on the roof of the Kelburn Terminal and/or on the side of the upper section of track.
- In January we will complete our Waka Kotahi Rail Safety Licence assessment.
- In conjunction with WellingtonNZ we will be a key partner in the Faultline Ultra Event, 21 April 2024 where hundreds of participants will start their run with a trip on the Cable Car.
- We will recommence negotiations with AON regarding our FY25 insurance cover and premium.

## Report to Wellington City Council

Finance & Performance Committee

Second Quarter ending 31 December 2023



### Highlights

#### Financial Sustainability

- Our new tap-to-donate kiosks have found their homes at Te Whare Toi, Wellington Museum, Space Place, and the Cable Car Museum, in time for the Cruise Ship season. As we raise 30% of our revenue through donations, venue hire, and retail revenue these kiosks make it simple for our visitors to say thanks, raise awareness of our charitable status, and raise essential funds to broaden the reach of our mahi.

#### Te reo Māori name for Experience Wellington

- Our Te reo Māori name for Experience Wellington has been finalised and we can now officially refer to our organisation Wheako Pōneke. In this instance “Pōneke” is in reference to the celestial stars that maintain a constant presence in the night sky and “Wheako” being a translation of “Experience”. However, this can be explored in many ways, one being an occurrence which leaves an impression on someone. Experience Wellington’s purpose is to create experiences for locals and all visitors to strengthen the identity of Wellington City. Wheako Pōneke is a true identification marker for exactly that and fits both the strategic and operation aims of the organisation.  
As we phase in our new name the organisation will be known as Wheako Pōneke Experience Wellington.

#### Cable Car Museum

- Our refreshed Cable Car Museum opened at the start of November, bringing to life stories of the Cable Car and the people connected to it. Beautifully laid out, with a selfie spot in front of a sparkling tunnel and featuring unearthed Ans Westra prints, it feels like us: linking visitors to the past, present and future. This mahi also creates a greater synergy with the Botanical Gardens outside - drawing visitors into a flexible space welcoming cruise ship passengers in summer and able to host programming in winter.

#### Nōku te Ao | Capital E

- Tamariki Markets, our new Play HQ space opened in November with queues outside the door. It’s another example of thoughtful design and uses local markets as an inspiration. Layers of interactivity are woven throughout a beautifully bright setting, supporting our smallest Wellingtonians to play with purpose while learning about the journey from farm to plate
- We farewelled Capital E’s National Theatre for Children at a special poroaki which marked the end of a 25-year legacy bringing quality live theatre to children across Aotearoa.

#### Te Ara Whānui Ki Te Rangi Space Place:

- The Tūhura Module at Space Place has had a refresh. This is more than a cosmetic upgrade with Mātauranga Māori woven into this experience. This represents our commitment to providing an educational and entertaining experience that leaves a lasting impact and creates a captivating journey for our visitors.

#### Te Waka Huia o Ngā Taonga Tuhū Iho, Wellington Museum

- Te Ohonga: The Awakening opened at the start of December. Within Wellington Museum lies a collection of taonga Māori acquired by George Pain, a late-nineteenth century Martinborough-based businessman. The history of these taonga was left undocumented, prompting us to invite Māori artists from Te Upoko o te Ika a Māui to infuse the collection with their knowledge, breathing life, and warmth into the taonga.

#### Te Whare Toi | City Gallery Wellington

- Experience Wellington achieved national recognition at the 2023 NZ Events Association annual Event Awards, securing the title of Best Local Government Event for our exhibition, *Hilma af Klint: The Secret Paintings*, at Te Whare Toi. Hilma af Klint: The Secret Paintings, which ran from 4 December 2021 to 27 March 2022, was a culmination of years of dedication, showcased international, high-value art and left a lasting impact by welcoming over 62,000 manuhiri. It provided a captivating experience for both Wellingtonians and visitors from around the country.

### Challenges

#### Te Whare Toi, City Gallery Wellington

- Operations at City Gallery Wellington Te Whare Toi will be challenging through to early 2026 – and may be disrupted beyond that if other demolition and construction mahi in and around Te Matapihi takes place. Council has embarked upon due diligence to enable decision-making on the future direction of Te Ngākau. This includes a Detailed Seismic Assessment (DSA) of the area.

## Performance Measures (KPIs) in the SOI 2023/24

**Physical Visitation:** The total number of visits to institutions including general public, education and function attendees. The annual target is reviewed each year and benchmarked against the average visitation for the institution during the previous three years

**Green** = On track or target met  
**Orange** = At risk of not achieving target  
**Red** = will not reach target

Visitor Numbers	2023/24 Quarter 2		2023/24 Annual	
	Actual	Target	Actual (YTD)	2023/24 Target
City Gallery Wellington	15,950	12,500	39,564	50,000
Wellington Museum	43,124	35,000	98,076	100,000
Capital E	17,118	20,000	33,322	50,000
Cable Car Museum	76,725	65,000	123,030	160,000
Space Place	12,799	12,500	25,865	45,000
Nairn St Cottage	51	200	61	600
<b>Experience Wellington Total</b>	<b>165,767</b>	<b>145,200</b>	<b>319,918</b>	<b>405,600</b>

**Children & Young People Visiting for a Learning Experience:** The number of students as part of a booked group visiting institutions for learning experiences. The delivery of ELC (Enriching Local Curriculum) is part-funded by the Ministry of Education.

*Learning Experience Visitors	2023 YTD Result	2023 Target
<b>Experience Wellington Total</b>	<b>10,152</b>	<b>23,100</b>

\* This reporting covers the 2023 Calendar year. The missed target is a result of teacher confidence being slow to return since the start of the pandemic, and the changes to the National Theatre for Children Arts Festival being adapted for a post-pandemic audience, and LIVE tours.

**Health and Safety:** No preventable serious harm incidents involving workers or visitors as defined by the Health and Safety at Work Act 2015.

Notifiable Health and Safety Incidents	2023/24 YTD Result	2023/24 Target
<b>Experience Wellington Total</b>	<b>0</b>	<b>0</b>

**Social & Virtual Visitation:** the numbers are derived from the monthly digital audience summary and includes website and social media activity.

Social Media Profile	2023/24 YTD Result	2023/24 Target
City Gallery Wellington	49,992	49,970
Wellington Museum	19,329	*17,000
Capital E	12,425	11,870
Space Place	13,998	12,470
Nairn St Cottage	839	790
<b>Experience Wellington Total</b>	<b>96,573</b>	<b>107,600</b>
Virtual Visitation	2023/24 YTD Result	2023/24 Target
City Gallery Wellington	52,459	105,000
Museums Wellington	107,804	109,000
Capital E	21,294	40,000
<b>Experience Wellington Total</b>	<b>181,557</b>	<b>254,000</b>

\*Error corrected from SOI

### Financial Performance Measures

Financial Performance Summary	Year to Date (\$000's)			Full Year (\$000's)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Net Revenue	6,909	7,075	-166	13,769	14,150	-380
Expenditure	6,726	7,370	644	14,008	14,741	733
Net Surplus/Deficit	183	-295	478	-238	-591	353

**Non-Council Revenue:** The total amount of revenue (net of costs) generated from non-Council sources: Trading includes admissions, retail, venue hire, sub-letting, and interest. Fundraising includes donations, sponsorships, other grants, and cultural grants (excludes Ministry of Education funding).

Measure	2023/24 YTD Result	2023/24 FY Target
Non-Council Revenue (\$'000)	1,758	3,763
Fundraising (\$'000)	132	913
Spend per Visit (\$)	3.14	4.20
Subsidy per Visit (\$)	24.13	22.38

### Coming Up

#### ***Nōku te Ao | Capital E***

- An extremely busy Quarter is coming up for the Capital E team with Children's Day in March expected to bring significant visitation and events.

#### ***Te Ara Whānui ki te Rangi | Space Place***

- Completing Developed Design and moving into Detailed Design for the Space Place Exhibition renewal, specifically, central galleries (Southern Skies, Solar System).
- A number of events are planned for Space Place during Q3 including Heavenly Bodies (a Valentines Day event), Astronomy-on-Tap and Telescope 101.

#### ***Te Waka Huia o Ngā Taonga Tuku Iho | Wellington Museum***

- *Secondary seismic strengthening at Wellington Museum.* The next phase will involve focus upon the resilience of the ground floor diaphragm and the central staircase. Council officers are working with engineers on a preferred approach and timeframe. Our team are advising on operational impacts. This work is expected to begin October 2024.

#### ***Te Whare Toi, City Gallery Wellington***

- A number of new exhibitions open in Quarter 3 including Julia Morison's; *Ode to Hilma* which presents ten large scale paintings. Ahsin Ahsin: *Turbo Croc 2.0*, Michael Mahne Lamb: *Through Points* and *Memory Lines* which brings together the work of five contemporary artists to consider the relationship between memory, knowledge and art making.

## Statement of Financial Performance - variance report

Experience Wellington

For the month ended 31 December 2023

Account	Month Actual	Month Budget	Variance	YTD Actual	YTD Budget	Variance	Full Yr Budget	Forecast	Variance	2022/2023 YTD
<b>Trading Income</b>										
<b>Trading Income</b>										
201 - Retail Sales	166,970	88,417	78,553	578,460	530,502	47,958	1,061,000	1,183,960	122,960	452,796
202 - Bar	0	1,450	(1,450)	12,815	8,700	4,115	17,400	11,515	(5,885)	12,459
203 - Site Tours - Visitor Services	512	833	(321)	5,392	4,998	394	10,000	10,391	391	0
204 - Admissions	50,403	26,478	23,925	259,202	158,868	100,334	317,730	418,067	100,337	231,853
205 - Membership	758	167	591	4,267	1,002	3,265	2,000	5,267	3,267	5,600
206 - Venue Hire	8,735	24,242	(15,507)	147,588	145,452	2,136	290,900	293,039	2,139	240,525
207 - Royalty/Production/Tour fees	0	0	0	0	0	0	0	0	0	3,000
208 - Royalties - Planaterium	0	208	(208)	0	1,248	(1,248)	2,500	0	(2,500)	0
200 - Income - Holding Account	(0)	0	(0)	(0)	0	(0)	0	(0)	(0)	(4,557)
<b>Total Trading Income</b>	<b>227,379</b>	<b>141,795</b>	<b>85,584</b>	<b>1,007,724</b>	<b>850,770</b>	<b>156,954</b>	<b>1,701,530</b>	<b>1,922,239</b>	<b>220,709</b>	<b>941,676</b>
<b>Partnerships &amp; Sponsorships</b>										
215 - Grants - Other	8,000	43,581	(35,581)	51,401	261,488	(210,086)	522,975	112,889	(410,086)	48,109
217 - City Gallery Wellington Foundation	0	4,167	(4,167)	0	25,000	(25,000)	50,000	50,000	0	35,000
219 - Fundraising Events	0	2,083	(2,083)	717	12,500	(11,783)	25,000	3,217	(21,783)	0
220 - Partnerships & Sponsorships	0	6,667	(6,667)	3,685	40,000	(36,315)	80,000	8,685	(71,315)	0
221 - Donations - General	7,602	15,274	(7,673)	59,180	91,647	(32,466)	183,293	102,827	(80,466)	66,360
222 - Donations - Major Donors	0	4,333	(4,333)	17,500	26,000	(8,500)	52,000	17,500	(34,500)	0
<b>Total Partnerships &amp; Sponsorships</b>	<b>15,602</b>	<b>76,106</b>	<b>(60,504)</b>	<b>132,484</b>	<b>456,634</b>	<b>(324,150)</b>	<b>913,268</b>	<b>295,118</b>	<b>(618,150)</b>	<b>149,469</b>
<b>Public Programmes</b>										
240 - Public Programmes Event Ticket Sales	305	10,000	(9,695)	43,449	60,000	(16,551)	120,000	87,449	(32,551)	0
241 - Public Programmes Tours	0	333	(333)	269	1,998	(1,729)	4,000	271	(3,729)	0
243 - Public Programmes - Other Income	0	0	0	2,770	0	2,770	0	2,770	2,770	0
<b>Total Public Programmes</b>	<b>305</b>	<b>10,333</b>	<b>(10,028)</b>	<b>46,488</b>	<b>61,998</b>	<b>(15,510)</b>	<b>124,000</b>	<b>90,490</b>	<b>(33,510)</b>	<b>0</b>
<b>Learning</b>										
244 - Learning - School Admission Charges	7,538	10,250	(2,712)	52,823	61,500	(8,677)	123,000	104,323	(18,677)	61,282
245 - Teacher PLD Charges	0	167	(167)	0	1,002	(1,002)	2,000	0	(2,000)	0
209 - Grants - ELC	27,139	27,139	(0)	162,832	162,834	(2)	325,665	325,665	0	162,832
<b>Total Learning</b>	<b>34,677</b>	<b>37,556</b>	<b>(2,879)</b>	<b>215,655</b>	<b>225,336</b>	<b>(9,681)</b>	<b>450,665</b>	<b>429,988</b>	<b>(20,677)</b>	<b>224,114</b>
<b>LIVE</b>										
248 - LIVE Tickets & Admissions	0	3,417	(3,417)	27,447	20,502	6,945	41,000	27,447	(13,553)	0
210 - Grants - CNZ	284	34,173	(33,889)	154,478	205,038	(50,560)	410,081	160,000	(250,081)	264,500
<b>Total LIVE</b>	<b>284</b>	<b>37,590</b>	<b>(37,306)</b>	<b>181,925</b>	<b>225,540</b>	<b>(43,615)</b>	<b>451,081</b>	<b>187,447</b>	<b>(263,634)</b>	<b>264,500</b>
<b>WCC Operating Grant</b>										
211 - WCC Operating Grant	756,488	756,488	0	4,538,930	4,538,928	2	9,077,860	9,077,860	0	4,202,677
212 - WCC Rental Subsidy	147,415	147,415	0	884,490	884,490	0	1,768,980	1,768,980	0	884,490
216 - Grants - Living Wage	0	8,333	(8,333)	100,000	49,998	50,002	100,000	100,000	0	0
263 - WCC Underwrite	0	0	0	353	0	353	0	350,000	350,000	0
<b>Total WCC Operating Grant</b>	<b>903,903</b>	<b>912,236</b>	<b>(8,333)</b>	<b>5,523,773</b>	<b>5,473,416</b>	<b>50,357</b>	<b>10,946,840</b>	<b>11,296,840</b>	<b>350,000</b>	<b>5,087,167</b>
<b>Investment Income</b>										
270 - Interest Received	12,709	4,727	7,982	58,010	28,362	29,648	56,721	116,020	59,299	24,055
<b>Total Investment Income</b>	<b>12,709</b>	<b>4,727</b>	<b>7,982</b>	<b>58,010</b>	<b>28,362</b>	<b>29,648</b>	<b>56,721</b>	<b>116,020</b>	<b>59,299</b>	<b>24,055</b>
<b>Other Income</b>										
230 - Leasing Income	21,933	6,984	14,949	57,080	41,904	15,176	83,804	47,080	(36,724)	34,110
260 - Other Revenue	4,572	1,400	3,172	11,263	8,400	2,863	16,800	19,663	2,863	97,383
261 - Wages On-charged	6,686	7,579	(893)	47,904	45,474	2,430	90,950	86,377	(4,573)	13,379
262 - Contractors fees On-charged	0	0	0	(54)	0	(54)	0	0	0	0
<b>Total Other Income</b>	<b>33,192</b>	<b>15,963</b>	<b>17,229</b>	<b>116,194</b>	<b>95,778</b>	<b>20,416</b>	<b>191,554</b>	<b>153,120</b>	<b>(38,434)</b>	<b>144,872</b>
<b>Total Revenue</b>	<b>1,228,050</b>	<b>1,236,306</b>	<b>(8,256)</b>	<b>7,282,253</b>	<b>7,417,834</b>	<b>(135,581)</b>	<b>14,835,659</b>	<b>14,491,263</b>	<b>(344,396)</b>	<b>6,835,852</b>
<b>Cost of Sales</b>										
Cost of Sales (Trading Income)	91,566	57,128	34,438	372,909	342,767	30,143	685,533	721,526	35,993	330,679
<b>Total Cost of Sales</b>	<b>91,566</b>	<b>57,128</b>	<b>34,438</b>	<b>372,909</b>	<b>342,767</b>	<b>30,143</b>	<b>685,533</b>	<b>721,526</b>	<b>35,993</b>	<b>330,679</b>
<b>Net Revenue</b>	<b>1,136,484</b>	<b>1,179,178</b>	<b>(42,694)</b>	<b>6,909,344</b>	<b>7,075,068</b>	<b>(165,723)</b>	<b>14,150,126</b>	<b>13,769,737</b>	<b>(380,389)</b>	<b>6,505,173</b>
<b>Operating Expenses</b>										
Exhibitions & Project Delivery	63,531	84,583	(21,053)	346,715	507,500	(160,785)	1,015,000	879,000	(136,000)	212,121
Art & Heritage	13,553	14,400	(847)	66,883	86,400	(19,517)	172,800	133,766	(39,034)	86,196
CYPCE	(644)	64,044	(64,688)	188,208	384,263	(196,054)	768,525	280,000	(488,525)	511,450
FMC	32,715	38,712	(5,997)	174,571	232,273	(57,701)	464,545	357,217	(107,328)	250,228
Operations & Commercial	940	900	40	19,363	5,400	13,963	10,800	38,727	27,927	34,454
Te ao Maori	0	7,500	(7,500)	0	45,000	(45,000)	90,000	0	(90,000)	0
Employee Costs	714,198	708,145	6,053	4,272,900	4,248,871	24,030	8,497,741	8,777,373	279,632	3,665,880
Occupancy Costs	228,330	230,802	(2,472)	1,298,462	1,384,815	(86,352)	2,769,629	2,693,809	(75,820)	1,291,421
Communication Costs	3,724	0	3,724	28,221	0	28,221	0	58,826	58,826	31,178
Technology Costs	9,263	8,333	930	74,999	50,000	24,999	100,000	179,110	79,110	101,862
Professional Fees	8,548	17,500	(8,952)	40,010	105,000	(64,990)	210,000	241,525	31,525	90,548
Administration Fees	53,770	25,471	28,299	165,117	152,826	12,292	305,651	309,974	4,323	100,410
Depreciation	8,520	28,008	(19,488)	50,663	168,050	(117,387)	336,099	124,015	(212,084)	106,927
Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	20,000	20,000	0
<b>Total Operating Expenses</b>	<b>1,136,449</b>	<b>1,228,399</b>	<b>(91,950)</b>	<b>6,726,133</b>	<b>7,370,395</b>	<b>(644,262)</b>	<b>14,740,790</b>	<b>14,093,342</b>	<b>(667,448)</b>	<b>6,482,675</b>
<b>Net Surplus/(Deficit)</b>	<b>35</b>	<b>(49,221)</b>	<b>49,256</b>	<b>183,211</b>	<b>(295,328)</b>	<b>478,539</b>	<b>(590,664)</b>	<b>(323,606)</b>	<b>287,058</b>	<b>22,498</b>

## Statement of Financial Position

### Experience Wellington As at 31 December 2023

	31 DEC 2023	30 JUN 2023
<b>Assets</b>		
<b>Fixed Assets</b>		
Property, plant and equipment	607,024	594,066
Collections and Artefacts	2,338,816	2,338,816
Intangible assets	-	215
<b>Total Fixed Assets</b>	<b>2,945,840</b>	<b>2,933,097</b>
<b>Non-Current Asset</b>		
Legacy Investment with Nikau Foundation	291,088	291,088
<b>Total Non-Current Asset</b>	<b>291,088</b>	<b>291,088</b>
<b>Current Assets</b>		
Inventory	512,571	277,962
Trade and other receivables	771,349	255,785
Cash and Cash equivalents	5,556,304	1,849,420
<b>Total Current Assets</b>	<b>6,840,224</b>	<b>2,383,167</b>
<b>Total Assets</b>	<b>10,077,152</b>	<b>5,607,351</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	5,841,109	1,558,556
Employee benefits	642,408	638,962
<b>Total Current Liabilities</b>	<b>6,483,517</b>	<b>2,197,518</b>
<b>Non-current Liabilities</b>		
Provision for Long Service Leave	46,817	46,817
<b>Total Non-current Liabilities</b>	<b>46,817</b>	<b>46,817</b>
<b>Total Liabilities</b>	<b>6,530,334</b>	<b>2,244,335</b>
<b>Net Assets</b>	<b>3,546,818</b>	<b>3,363,016</b>
<b>Equity</b>		
Tagged Funds	139,031	139,031
Reserves (non-cash)	2,531,276	2,530,686
<b>Retained earnings</b>		
Current Year Earnings	183,211	(629,472)
Retained Earnings	693,299	1,322,771
<b>Total Retained earnings</b>	<b>876,510</b>	<b>693,299</b>
<b>Total Equity</b>	<b>3,546,818</b>	<b>3,363,016</b>

**Wellington Regional Stadium Trust  
Key Performance Indicators**

<b>FINANCIAL</b>	<b>Actual</b>			<b>Budget</b>			<b>YTD Variance</b>	
	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Annual</i>	<i>31-Dec-23</i>	
	<i>31-Dec-23</i>	<i>30-Jun-24</i>	<i>YTD</i>	<i>31-Dec-23</i>	<i>30-Jun-24</i>	<i>Budget</i>	<i>\$000</i>	<i>%</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>		
Event revenue	7,420		7,420	5,622	3,290	8,912	1,798	32%
Total income	10,763		10,763	8,901	6,825	15,726	1,862	21%
Total surplus (deficit) <i>(before capex grants)</i>	1,498		1,498	(455)	(1,775)	(2,230)	1,953	429%
Net cashflow movement	2,034		2,034	1,071	(874)	197	963	90%
Net debt	(984)		(984)	2,951	3,820		3,935	133%
Liquidity Ratio <i>(Current Assets to Current Liabilities)</i>	1.94		1.94	1.49	0.75			
Debt to Total Assets	4.80%		4.80%	4.82%	4.65%			
Stadium Enhancements (Capex)	486		486	4,661	7,045	11,706	(4,175)	(90%)

**Wellington Regional Stadium Trust  
Key Performance Indicators**

<b>EVENTS</b>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>YTD Variance</i>	
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>		
	<i>31-Dec-23</i>	<i>30-Jun-24</i>	<i>YTD</i>	<i>31-Dec-23</i>	<i>30-Jun-24</i>		<i>31-Dec-23</i>	
Events held during period								
Rugby	7		7	5	6	11		
Cricket	0		0	0	1	1		
Football	14		14	14	6	20		
Other Sport	0		0	0	1	1		
Concerts/Other events	1		1	0	2	2		
Exhibition Days	5		5	5	8	13		
<b>Total events</b>	<b>27</b>	<b>0</b>	<b>27</b>	<b>24</b>	<b>24</b>	<b>48</b>	<b>3</b>	<b>13%</b>
Community events (days)	1		1	1	2	3		
<b>Total events (days)</b>	<b>28</b>	<b>0</b>	<b>28</b>	<b>25</b>	<b>26</b>	<b>51</b>	<b>3</b>	<b>12%</b>
Total numbers attending	260,132		260,132					



**Wellington Regional Stadium Trust**  
**Statement of Financial Performance**  
**For the Six Months Ending 31 December 2023**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Variance</b>	<b>Annual</b>	<b>31-Dec-22</b>
	<b>\$000s</b>	<b>\$000s</b>	<b>\$000s</b>	<b>Budget</b>	<b>Actual</b>
				<b>\$000s</b>	<b>6 months</b>
<b>Operating Revenue</b>					
Event Revenues	7,420	5,622	1,798	8,912	3,758
License Fees & Sponsorship	1,991	1,963	28	3,981	1,963
Grant income	0	0	0	0	1,539
Sundry income	1,352	1,316	36	2,833	1,518
<b>Total Revenue</b>	<b>10,763</b>	<b>8,901</b>	<b>1,862</b>	<b>15,726</b>	<b>8,778</b>
<b>Operating Expenses</b>					
Event	3,469	2,645	(824)	4,282	2,637
Other operating expenses	3,743	4,664	921	9,427	4,385
Interest	114	114	0	229	54
<b>Total Operating Expenses</b>	<b>7,326</b>	<b>7,423</b>	<b>97</b>	<b>13,938</b>	<b>7,076</b>
<b>Operating Surplus / (Loss) before Depreciation</b>	<b>3,437</b>	<b>1,478</b>	<b>1,959</b>	<b>1,788</b>	<b>1,702</b>
Depreciation	1,939	1,933	(6)	4,018	1,791
<b>Net Operating Surplus/(Loss)</b>	<b>1,498</b>	<b>(455)</b>	<b>1,953</b>	<b>(2,230)</b>	<b>(89)</b>
<i>Plus:</i>					
<i>Funding for capital expenditure programme</i>					
Confirmed grants*	0	0	0	5,410	2,597
Additional grants to be secured	0	0	0	4,890	300
<b>Total Surplus (Loss)</b>	<b>1,498</b>	<b>(455)</b>	<b>1,953</b>	<b>8,070</b>	<b>2,808</b>

<i>Wellington Regional Stadium Trust Statement of Financial Position As at 31 December 2023</i>	31-Dec-23 \$000's	30-Jun-23 \$000's
<b>Trust Funds</b>		
Accumulated Surplus	50,872	49,375
<b>Limited Recourse Loans</b>		
Wellington Regional Council	25,000	25,000
Wellington City Council	15,000	15,000
Wellington City Council - Accrued Interest	395	395
Total Trust Funds & Limited Recourse Loans	<u>91,267</u>	<u>89,770</u>
<b>Non Current Liabilities</b>		
Term Loans - Councils	4,200	4,200
Term Loans - Bank	500	500
Leases	116	116
Revenue in Advance	-	75
Total Non Current Liabilities	<u>4,816</u>	<u>4,891</u>
<b>Current Liabilities</b>		
Payables & Accruals	1,635	2,336
Revenue in Advance	2,574	2,351
Total Current Liabilities	<u>4,209</u>	<u>4,687</u>
<b>Total Funding</b>	<u>100,292</u>	<u>99,348</u>
Represented by:		
<b>Non Current Assets</b>		
Fixed Assets	<u>92,126</u>	<u>93,596</u>
Total Non Current Assets	<u>92,126</u>	<u>93,596</u>
<b>Current Assets</b>		
Cash	5,800	3,766
Receivables & Prepayments	<u>2,366</u>	<u>1,986</u>
Total Current Assets	<u>8,166</u>	<u>5,752</u>
<b>Total Assets</b>	<u>100,292</u>	<u>99,348</u>

<b>Wellington Regional Stadium Trust</b>	6 mths	6 mths
<b>Statement of Cash Flows</b>	31-Dec-23	31-Dec-22
<b>For the six months ended 31 December 2023</b>	\$000's	\$000's
<b>Operating activities</b>		
<i>Cash was provided from:</i>		
Event and operating income	7,473	3,507
License fees and sponsorships	2,006	1,255
Grant income	0	1,637
Interest income	65	22
Goods and services tax (net)	0	15
Sundry income	1,132	1,355
	<u>10,676</u>	<u>7,791</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(7,508)	(6,137)
Interest paid	(114)	(53)
Goods and services tax (net)	(20)	0
	<u>(7,642)</u>	<u>(6,190)</u>
<b>Net cash inflow from operating activities</b>	3,034	1,601
<b>Investing activities</b>		
<i>Cash was applied to:</i>		
Purchase of fixed assets	(1,000)	(954)
<b>Net cash outflow from investing activities</b>	<u>(1,000)</u>	<u>(954)</u>
<b>Financing activities</b>		
<b>Net cash flow from financing activities</b>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash held	2,034	647
Cash at beginning of the period	3,766	3,529
<b>Cash at the end of the period</b>	<u><u>5,800</u></u>	<u><u>4,176</u></u>



**Wellington Regional Stadium Trust  
Half yearly report to Settlers  
For six months ending 31 December 2023**

The Trustees present this report of operations for the six months ending 31 December 2023.

As outlined in the Statement of Intent, to meet its obligations under its Trust Deed the Trust pursues the key objectives of:

- Presenting a full and balanced event calendar;
- Maintaining and enhancing the facility;
- Achieving a level of profitability that finances continuing capital expenditure and meets debt repayment obligations.

In 2018 the Trust refreshed its strategic priorities centred on the following areas:

1. Deliver great customer experiences
2. Grow commercial revenues
3. Invest in and improve our facilities
4. Value our people, our community and our stakeholders
5. Operate a safe building
6. Operational excellence
7. Attract and deliver world class events
8. Sustainability

These objectives remain current. However as noted in recent Statements of Intent, the Trust is no longer able to meet the financial autonomy objective, in particular with regards to capital investment to maintain and renew the Stadium as a viable asset. The level of investment required in the Stadium so it operates to best practice standards as an operationally efficient and safe venue that delivers a good experience for patrons and hirers, is beyond the means of the Trust alone.

Additional matters set out in the Letter of Expectations issued by each Council in December 2022 have also been incorporated into the Trust's 2023-2024 Statement of Intent.

Activity in these areas for the six-month period is reported on below.

A summary of performance measures (both financial and non-financial) is included at the end of this report.



## **SPECIFIC EXPECTATIONS OF THE COUNCILS FOR THE TRUST**

**The Council is committed to supporting the FIFA Women's World Cup Australia & New Zealand 2023 when it comes to the Southern Hemisphere for the first time. In collaboration with WellingtonNZ and the Council, the Trust is expected to ensure that the stadium and the city is well prepared to deliver a world class experience for fans and teams for this event.**

The Stadium's delivery of its FIFA Women's World Cup Commitments, in conjunction with Wellington NZ and the Councils was extremely successful. Attendance, atmosphere and fan engagement were excellent.

It was a very busy time for the team and our contractors. Wellington and Sky Stadium hosted nine games in 22 days. Seven group matches took place over just thirteen days. We are the first venue in world cup history (senior women's or men's) to have seven standalone group matches.

The required upgrades (retrofitting all pitch lighting with LED lights, upgrades of changerooms to gender neutral specifications and replacement of the turf on the football field) were all completed in time and performed well. The Tournament made use of the entertainment features of the new lights (for example synchronisation to music) which was well received by the crowd. The Trust had also replaced its turnstiles in the lead up to the tournament, and these performed very well.

One of the challenges identified in the lead up to the tournament was obtaining sufficient catering staff for the weekday afternoon games that were expected to attract large crowds (with two of these played at 1pm). The Trust and its caterers developed a volunteering programme with schools, corporates and community groups. Over 500 shifts were filled, and more than \$120,000 donated to charities and schools (used to fund their sports teams' away trips). Overall feedback from the volunteer groups was extremely positive with many commenting on the positive energy, and friendliness of the crowd. And the charities were very grateful for the donations received.

Positive feedback on the delivery of the tournament in Wellington was received from many sources, including senior FIFA officials.

**The Trust will finalise the design, budget and programme for the seismic strengthening works planned for the stadium that will be partially funded by both settlor councils through the 2024-34 LTP.**

An RFP for the Stadium's seismic resilience works was issued in mid-December 2023 with a closing date of early March 2024.

**With open borders and the removal of pandemic restrictions, the stadium will continue to deliver a strong programme of stadium-filling events that return economic benefit to the city and region.**

During the period the Stadium hosted 27 event days and 260,132 patrons attended. This is an improvement on the six months to 31 December 2022, and is due to the additional games and attendance from the FIFA Women's World Cup tournament.



This six-month period was dominated by the FIFA Women’s World Cup, as reported upon above. It should be noted that this event was a pinnacle major event, with the scale of the event having a significant positive impact on our reporting metrics including numbers of event days, patron attendance and the financial results.

One week after the last FIFA Women’s World Cup game, the Stadium was ready to host its next event - Beervana – no mean feat given the level of overlay put in for the World Cup. Our other regular exhibition during the period was the Home & Garden Show in September.

The Phoenix have played seven matches across five match days during the period. The Phoenix opened their 2023-2024 season with the Women’s team playing their first game on 15 October, and the Men’s team on 28 October. Two double header matches with both teams were also played, and one further standalone Men’s game.

The Wellington Lions, the defending NPC champions, played three round robin games, and also hosted a quarter final and semi-final match but were ultimately unsuccessful in retaining the trophy.

Sky Stadium hosted the inaugural round of the new WXV1 competition with three matches across two days. The WXV is a new women’s rugby tournament, run by World Rugby, which has 18 international teams playing each other across three divisions – WXV 1, WXV 2 and WXV 3. The objective of the tournament is to enhance competition, experience, and skill level between Rugby World Cups and create a bigger and brighter future for women’s rugby. The Wellington schedule included a game between the Black Ferns and France, in effect a rematch of the 2021 World Cup semi-final. Overall, attendance was lower than expected, in part reflecting that it is a new tournament, and also that the matches were scheduled over Labour Day weekend.

In November we hosted the Freestyle Kingz, one of five events across New Zealand. While the Wellington crowd was not large, it was consistent with crowds in Auckland and Hamilton. Those attending saw a well organised show of motorbike and BMX tricks and jumps.

<b>Event</b>	<b>Month</b>	<b>Attendance</b>
<i>Football</i> FIFA Women’s World Cup 2023 9 games	July to Aug	197,675
A-League – Phoenix: 7 Regular season games across 5 days (both men’s and women’s teams)		21,507 Avg 4,301
<i>Rugby</i>  NPC Rugby: 3 round robin games Quarter and Semi-final	August to October	6,029 3,835 Avg 2,010 (RR)
WXV1	October	7,107
<i>Other events</i> Freestyle Kingz	November	5,285



<i>Exhibitions</i> Beervana Home & Garden Show	August September	18,694

We hosted the Spirit to Cure Step Challenge in October which raises money for the Leukaemia and Blood Foundation. We also continue to make the facility available as a training site for a variety of groups including the emergency services, Corrections, and Defence.

The FIFA Women’s World Cup was undoubtedly the highlight of the period, however it was great to see our regular hirers back with their events, as well as some new events, to complete the rest of the half year.

The hosting of a wide variety of events is the main way in which the Trust continues to contribute to the City Council’s Economic, Cultural and Social Wellbeing objectives

The outlook for future event bookings is strong and the Trust is pursuing further enquiries on events not yet announced through to 2025.

**Council is mindful of the financial burden that insurance places on the stadium’s viability. The Trust should work collaboratively with its settlor councils to determine an optimal insurance structure for the stadium.**

After detailed consideration and work with Council officers to consider alternative arrangements during 2022, the Trust’s 2023-2024 renewal continued with the programme put in place for 2022-2023. In summary, the Trust has in place:

- A traditional Material Damage and Business Interruption policy that excludes Natural Disaster Cover with a limit of \$128m (and a \$100m Fire Loss Limit).
- A policy that provides \$50m of parametric cover for earthquakes.
- Retention of various liability including public liability cover.

Parametrics are a form of insurance whereby a defined peril (i.e. earthquake) is selected, certain triggers are specified, i.e. level of Peak Ground Acceleration (PGA), which when reached results in an Agreed Values pay-out. The parametric option has provided an alternative solution that allows the Trust to retain some earthquake cover.

The insurance programme for the Trust will remain under active consideration by the Trust.

**After a challenging Covid period the Councils expect the stadium to return to financial sustainability and outline its plans to achieve this.**

The Trust does not receive annual operating grants from the Settlers and aims to generate operating surpluses each year. The management team continue to seek revenue opportunities, including new events, to increase our revenues and to support our operating costs. However as noted above, major capital expenditure and upgrades are beyond the means of the Trust alone.



The Trust has been working with both Wellington City Council and Greater Wellington Regional Council, as settlors of the Trust, for capital expenditure funding inclusions in the next Long-Term Plan. As noted earlier, the Trust is not in the financial position to be able to independently maintain and renew the Stadium as a viable asset. The proposed capital expenditure funding from both councils will go some way to address the immediate capital requirements.

**The Trust will continue to contribute to the region meeting its carbon neutrality goals.**

The Trust's Carbon Inventory report, compiled by Ekos for the 2021-2022 year was received during the period. As Stadium activities during this period were impacted by the Covid-19 pandemic, it is likely that the total emissions for that period were slightly lower than a year with a more normal event calendar.

The report has given the Trust some key areas to focus on to make a reduction in its carbon emissions. These include reducing electricity use, and working with our tenants to do the same, obtaining better data on refrigerant use, and investigating opportunities to transition away from gas appliances and plant.

Work on reducing electricity use has already begun with the project to replace lighting around the facility with LED fittings. An RFP for this work was issued prior to Christmas and we hope to have the initial phase of this project (as funded by the GWRC Low Carbon Acceleration Fund) completed by the end of the financial year.

The novel and immensely positive Wash Up Welly reusable serveware hub and washing facility has started moving into their tenancy space at Sky Stadium and are hoping to run their first event trial by March.

During the FIFA Women's World Cup, we worked closely with the FIFA team, our waste management provider and our onsite cleaners to divert 82% of event generated waste from landfill. 52% was recycled and 30% was composted at Capital Compost. This was a huge effort from all involved and we were extremely proud to have maintained our waste diversion practices over a very busy month-long tournament.

The above works contributes to the Council's Environmental Wellbeing targets.

**The settlors are looking to the Trust to lead a conversation around the longer-term future for the trust, in terms of future planning and investments, potential longer term stadium options and the need to examine funding mechanisms at a regional level.**

During the period the Trust has participated in the Long-Term Plan processes with both Wellington City and Greater Wellington Regional Councils for 2024-2034, and appreciates the support shown by the Council's to date. As part of our strategic work in the coming period, the future requirements of the Stadium, both in the medium and long term, will be explored. There is an increasingly competitive market with both redeveloped and new stadia on the horizon in New Zealand, and the Trust is aware that we need to not only maintain the asset but look at redevelopment to remain competitive. The ongoing competitiveness of the Stadium, along with our ability to provide audiences with high quality experiences is vitally important in attracting the events and the audiences that will see us continue to deliver the economic and social benefits that the Stadium has





delivered to the city and region. The impact and benefits delivered by large scale events in the Stadium was highlighted during the period with the FIFA Women's World Cup.

**The Trust will continue to work with GWRC over opportunities to improve connectivity with the public transport network, as well as GWRC's efforts to strengthen the public transport network for events at the Stadium. Councils expect that the Trust will support the work underway to progress Let's Get Wellington Moving.**

The Trust enjoys strong relationships with transport partners and communicates and plans well in advance of major events. The integrated public transport processes for FIFA Women's World Cup worked well from the Stadium's perspective.

#### **Other Council strategic objectives not already covered above**

**Improving outcomes for mana whenua and Māori (also addressing WCC's Kia eke panuku Māori Strategic Direction).** *We are strengthening our commitment to working closely with mana whenua to achieve the best outcomes for Māori and the region, across everything we do.*

The Trust continues to be an active participant in WCC's CCO Tūpiki Ora Action Plan.

#### **FINANCIAL PERFORMANCE**

The financial result for the six months to 31 December 2023 is a net surplus of \$1.5m compared to a budgeted loss of \$0.5m.

The operating surplus (before depreciation) was \$3.4m compared to a budgeted surplus of \$1.5m.

The net operating cash inflow was \$3.0m, compared to an inflow of \$1.6m in the 6 months to 31 December 2022.

Event income was ahead of budget by \$1.8m, event expenses are ahead of budget by \$0.8m, for a net positive variance of \$1.0m. This is due to some additional unbudgeted events, as well as some events providing a result that was better than budgeted. As noted earlier in the report, the FIFA Women's World Cup had a significant positive impact on our financial performance including Event income.

Other operating expenditure is \$0.9m less than budgeted. Approximately half this variance is in the facilities maintenance area, and much of it will be timing differences.

Capital expenditure during the period was \$0.5 million compared to a budget of \$4.6m. We do not expect to spend the full amount of capital budgeted for the period.



#### **OTHER MATTERS**

##### **Trustees & Staffing**

There were no changes to the Board of Trustees during the period. That said, Steve Tew and Tracey Bridges both reached the end of their term on 31 December. Settlor appointment commitments are addressing renewals in February. Until such time as terms are renewed the Trust is operating with five Trustees, which remains within the parameters of the deed.

After more than 10 years as Chief Executive of the Stadium Trust, Shane Harmon finished in this role just prior to Christmas. His departure had been well signalled to the Board, and an extensive recruitment process was undertaken. Warrick Dent, most recently General Manager Events & Experiences at WellingtonNZ has been appointed to the Chief Executive role and commenced in January 2024.

There have been no other changes in the senior management team during the period.

#### **CONCLUSION**

It was a positive six months for the Trust and the Stadium with the very successful hosting of the FIFA Women's World Cup games in Wellington a highlight, followed by a variety of events from both regular and new hirers.

We look forward to continuing to bring a range of events for those living in and visiting the Wellington region to enjoy.

Rachel Taulelei  
Chair  
14 February 2024



**Non-Financial Performance Measures**

<b>Measure</b>	<b>How Measured</b>	<b>Progress for six months to 31 Dec 2023</b>
<ul style="list-style-type: none"> <li>Deliver a strong FIFA Women's World Cup 2023</li> </ul>	<ul style="list-style-type: none"> <li>Key stakeholders are satisfied with management of the stadium's operation of the event</li> <li>30% out of region visitors</li> </ul>	<ul style="list-style-type: none"> <li>Successful tournament delivered in Wellington</li> <li>39% of unique attendees were from outside of region.</li> </ul>
<ul style="list-style-type: none"> <li>Deliver a full event calendar</li> </ul>	<ul style="list-style-type: none"> <li>Securing 45-50 event days per year covering both sporting and non-sporting events aiming to appeal to a wide range of interests</li> </ul>	<ul style="list-style-type: none"> <li>27 event days held in the six months to 31 Dec</li> </ul>
<ul style="list-style-type: none"> <li>Deliver more large-scale non-sporting events</li> </ul>	<ul style="list-style-type: none"> <li>Secure at least two concerts in 2023-24</li> <li>40% out of region visitors</li> </ul>	<ul style="list-style-type: none"> <li>Foo Fighters concert will take place in Jan 2024. There were some strong enquiries for other concerts in this period, but the tours have not proceeded.</li> <li>Freestyle Kingz event hosted in November</li> </ul>
<ul style="list-style-type: none"> <li>Continued investment in stadium infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>FIFA upgrades for lights and change rooms completed</li> <li>Resilience plans finalised and shared with council partners</li> </ul>	<ul style="list-style-type: none"> <li>Both upgrades completed in time for FIFA WWC 2023</li> <li>RFP documents issued in December 2023.</li> </ul>
<ul style="list-style-type: none"> <li>Host unique events that deliver economic benefit to the region</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining economic benefit to the region at an average of \$40 million per year</li> <li>Working with promoters to deliver special events to Wellington</li> </ul>	<ul style="list-style-type: none"> <li>Wide variety of events hosted in period</li> <li>FIFA WWC delivered \$24.6 million net benefit to Wellington</li> <li>Strong level of enquiry for 2024-25 summer</li> </ul>
<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Continue to reduce waste via compost, recycle, reduce, reuse</li> </ul>	<ul style="list-style-type: none"> <li>82% of event waste diverted from landfill during FIFA Women's World Cup 2023</li> </ul>



	<ul style="list-style-type: none"> <li>Energy reduction through transition to LED lighting with support from GWRC Low Carbon Acceleration Fund</li> <li>Scope other projections contained in Lumen’s Energy Transition Plan towards decarbonisation of the facility</li> </ul>	<ul style="list-style-type: none"> <li>RFP for Lighting transition project issued in December</li> <li>To be considered once LED project underway</li> </ul>
<ul style="list-style-type: none"> <li>Mana whenua</li> </ul>	<ul style="list-style-type: none"> <li>Develop a cultural engagement and wider engagement strategy</li> </ul>	<ul style="list-style-type: none"> <li>WCC’s CCO Tūpiki Ora Action Plan underway</li> </ul>
<ul style="list-style-type: none"> <li>Health And Safety Reported Injury rates</li> </ul> <p>Contractors and hirers</p>	<ul style="list-style-type: none"> <li>Trust worker reported injury rate of two or less per year</li> <li>Contractor worker Lost Time Injury rate of two or less in a year</li> <li>Hirer (And Hirer Contractor) Worker Lost Time Injury rate of 2 or less in a year</li> <li>A reported patron injury rate of less than 0.01% of the total number of patrons attending the venue (events and functions)</li> <li>100% of contractors working at the Stadium have ‘approved’ status before any work is commenced, and upon each annual review</li> <li>An agreed H&amp;S plan is in place with 100% of Stadium hirers prior to any work on site commencing</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – zero</li> <li>Achieved –zero</li> <li>Achieved – zero</li> <li>Achieved – 0.00037%</li> <li>Achieved – 100%</li> <li>Achieved – 100%</li> </ul>

**Wellington Zoo Trust**  
**Report to the Wellington City Council LTP, Finance & Performance Committee**  
**Second Quarter ending 31 December 2023**

### Highlights

- At its December Board meeting, Trustees voted unanimously to adopt a te reo Māori name for Wellington Zoo – Te Nukuao Tūroa o Te Whanganui a Tara (*The Enduring Haven for Nature in the Wellington Harbour Region*), shortened to 'Te Nukuao Wellington Zoo' for general use. This will not be a full re-brand, rather a phased transition across the organisation.
- As at 31 December 2023, Wellington Zoo had an operating deficit of \$73k against a budgeted operating deficit of \$381k (favourable variance of \$308k). Visitor numbers were also strong at 124,774 in the financial year to 31 December 2023, 4,783 ahead of the YTD target of 119,991. Sale of retail products were ahead of target YTD by \$140k.
- The International Zoo Educators (IZE) Conference hosted by Wellington Zoo in October 2023 was a great success with 110 delegates from 28 countries participating in a week filled with workshops and presentations on Conservation Education, Community Engagement, Accessibility and Behaviour Change.
- Zuri the Giraffe gave birth to Nia on 29 November, both are doing extremely well and it has generated a lot of community interest. Pub Charity approved a grant for Phase 1 to make improvements to the giraffe house to accommodate management of the group which were completed before the birth.
- Wellington Zoo hosted our international Conservation Partner Madagascar Fauna & Flora Group<sup>1</sup>'s (MFG) Executive Committee Meetings and Annual Meeting in November. This was a busy week of workshops, presentations and discussions to address some of MFG's strategic challenges with lemur conservation. There were 17 delegates from seven countries.
- Wellington Zoo has again passed its annual MPI Audit. This year the MPI Inspector General of Regulatory Systems and two Principal Advisors were also present as part of an internal MPI review of their verification processes for containment facilities.
- The Sustainable Solutions team from Mandai Wildlife Group (Singapore Zoo) who are pursuing net carbon zero certification next year, visited Wellington Zoo for a knowledge exchange with our experienced conservation and sustainability staff. Also discussed was Palm Oil, FSC sustainable wood and paper products and engaging staff with change in these areas.
- Earthquake strengthening has been completed on the Horticulture Shed and Bea Arthur office and both areas are now back in action.
- The first staff survey since 2019 (linked to our Oranga Strategy to support a happy, healthy and safe workplace) was distributed to staff in late November with a 79% participation rate. A summary of the results will be shared with staff early in the new year.
- The Holdsworth Foundation has committed to a further three years' support of our native reptile programme with an increase in granting to support the care of Whitaker's Skinks, a new species we will be caring for at the behest of DoC.
- Wellington Zoo staff met with representatives of Taranaki Whānui and WCC to discuss the role we can play in helping to establish the Kororā as an iconic species for Wellington.
- As part of their nationwide review on how all Kiwi in human care in New Zealand are cared for, DoC has inspected Te Ao Māhina and were satisfied that our processes and habitats more than met the expected standards.
- Recipients of the WZT Local Conservation Grants 2023/24 were announced in November with six recipients being awarded a total of \$14,395. These are awards for local Wellington Region conservation projects.
- At the end of November, representatives from Wellington Zoo, Zealandia, Te Atiawa, Taranaki Whānui, Ngati Koata and Ngati Toa gathered at Wellington Zoo's Te Hononga for a mihi whakatau to accept two Tuatara from Zealandia into our care.
- A Kānohi Kitea session, our cultural competency programme was held for 35 new staff (last workshops held in 2021 all staff must attend this workshop).
- The Learning team collaborated with a local artist who was working with students at Newtown and Berhampore Schools to create art to welcome visitors to the Zoo, either a depiction of their favourite animal, or a welcome in their native language. We held an unveiling with the chosen artists, their school mates and family members at the Zoo in December and to view their artwork at the entrance to the Zoo.

### Challenges

- The spread of High Pathogenicity Avian Influenza (HPAI) presents risks to animals in our care and from wildlife we take into Te Kōhanga. We have developed plans for managing an HPAI outbreak in New Zealand which involves working collaboratively with other zoos and wildlife parks.
- Venues revenue continues to lag, however, research has shown that other Wellington venue providers are experiencing the same downturn. A proactive marketing and sales plan is underway which includes a direct mail campaign to previous customers with follow-up sales calls, as well as LinkedIn and radio advertisements.
- The costs and availability of animal food continues to cause concern with our Nutrition Centre expenses significantly increased compared to last financial year.

<sup>1</sup> [Madagascar - MFG - Home Page \(madagascarfaunaflora.org\)](https://www.madagascarfaunaflora.org/)

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Performance Measures (KPIs) in the SOI 2023/24					
WCC Performance Measures	Target 2023.24	Quarter 2 as at 31.12.23		YTD as at 31.12.23	
Visitors	265,815	65,751	●	124,789	●
Student & Education Visits	21,000	8,603	●	15,620	●
Council Operating Grant per Visitor	\$15.67	\$15.88	●	\$16.69	●
Full Cost to Council (annual WCC measure)	Not yet available	Annual Measure			
Trading Revenue per Visit (ex. Grants & Interest)	\$17.93	\$24.21	●	\$23.14	●
Non-Council donations and Funding	\$364k	\$172.7k	●	\$247k	●
Percentage of Operating Costs Generated by Trust	53%	61%	●	57%	●
Trust Generated Income as % of the Council Grant	125%	153%	●	139%	●
Additional WZT Performance Measures	Target 2023.24	YTD as at 31.12.23			
Measure Visitor Feedback and Satisfaction	80%			94%	●
Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National List) at the Zoo	25			30	●
Percentage of native animals released to the wild after triage and treatment by The Nest Te Kōhanga (TNTK)	50%			43%	●
WZT UN SDG targets met	80%			Annual measure	●
Number of field conservation projects supported for vulnerable, endangered or critically endangered species (IUCN Red List and DOC National List) at the Zoo	12			13	●
Maintain Zoo and Aquarium Association Animal Welfare Accreditation	Achieved			Achieved	●
Maintain Toitū net carbonzero certification	Achieved			Achieved	●
Implementing <i>Kanohi Kitea</i> cultural competency programme	Achieved			Ongoing	●
Achieve and maintain Rainbow Tick certification	Achieved			Achieved	●
Health, Safety & Wellbeing Committee meeting attendance	80%			95%	●
Emergency drill or incident debriefs summary delivered	8			3	●
Volunteer engagement survey completed	1			Annual Measure	●
Staff recognition initiative complete	1			Achieved	●
Staff learning and development initiatives completed	10			11	●

● On track or target met      ● At risk of not achieving target      ● Will not reach target

WZT Second Quarter, 2023/24 Report to WCC

<b>Financial Performance Summary</b>						
	<b>Year to Date (\$000s)</b>			<b>Full Year (\$000s)</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Forecast</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenue</b>	5,074	4,624	450	9,500	9,305	195
<b>Expenditure</b>	5,150	4,938	212	10,100	10,001	99
<b>Net Surplus/Deficit</b>	(76)	(314)	238	(600)	(696)	96

<b>Coming Up</b>
<ul style="list-style-type: none"> <li>• Our 19<sup>th</sup> Neighbours' Night event will be held on 26 January 2024.</li> <li>• Dr Amy Plowman, a renowned international expert in zoo animal nutrition, will peer review the work our Nutrition Centre has done entering all New Zealand specific animal diets data into a purpose-built software programme.</li> <li>• Planning for the completion of the Giraffe House Improvements to improve management of the mixed-herd group is well underway with work scheduled to start in February/March.</li> <li>• Climate Action Messaging Workshop for community engagement will be held with SMT and other key staff to be held in February and facilitated by The Workshop.</li> <li>• Hosting Toitū's Annual Regional Event in February – Karen Fifield will be one of the key note speakers.</li> <li>• Next module of Leadership, Excellence and Performance (LEAP) Workshops to rollout in March.</li> </ul>

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**Appendix 1 – Financial Statements**

<b>CCO: Wellington Zoo Trust Quarter Two 2023/24</b>		<b>\$NZ000's</b>	
<b>Actual 30-Jun-23</b>	<b>INCOME STATEMENT</b>	<b>Actual 31-Dec-23</b>	<b>Budget 31-Dec-23</b>
	<b>Revenue</b>		
5015	Trading Income	2642	2354
4099	WCC Grants	2096	2083
92	Other Grants	43	42
362	Sponsorships and Donations-Operational	203	140
1499	Sponsorships and Donations-Capital	199	0
67	Investment Income	49	5
102	Other Income	41	0
11,236	<b>Total Revenue</b>	5,273	4,624
	<b>Expenditure</b>		
6,665	Employee Costs	3587	3547
3,096	Other Operating Expenses	1563	1316
	Depreciation	0	0
	Interest		
1,568	Vested Assets	0	75
11,329	<b>Total Expenditure</b>	5,150	4,938
(93)	<b>Net Surplus/(Deficit)</b>	123	(314)
(24)	<b>Operating Surplus/(Deficit)</b> <i>(excluding Capital income)</i>	(76)	(239)
-0.2%	<b>Operating Margin</b>	-1.4%	-5.2%

WZT Second Quarter, 2023/24 Report to WCC



Actual 30-Jun-23	STATEMENT OF FINANCIAL POSITION	Actual 31-Dec-23	Budget 31-Dec-23
	<b>Shareholder/Trust Funds</b>		
1,568	Restricted Funds	1,568	1758
242	Accumulated Funds	366	(427)
1,810	<b>Total Shareholder/Trust Funds</b>	1,934	1,331
	<b>Current Assets</b>		
4,989	Cash and Bank	2,468	2286
678	Accounts Receivable	3,239	130
146	Other Current Assets	242	100
5,813	<b>Total Current Assets</b>	5,949	2,516
	<b>Investments</b>		
0	Deposits on Call	0	0
0	Other Investments	0	0
0	<b>Total Investments</b>	0	0
	<b>Non-Current Assets</b>		
0	Fixed Assets	0	0
0	Other Non-current Assets	0	0
0	<b>Total Non-current Assets</b>	0	0
	<b>Total Assets</b>	5,949	2,516
	<b>Current Liabilities</b>		
2,863	Accounts Payable and Accruals	757	477
444	Provisions	450	0
696	Other Current Liabilities	2,808	708
4,003	<b>Total Current Liabilities</b>	4,015	1,185
	<b>Non-Current Liabilities</b>		
0	Loans - WCC	0	0
0	Loans - Other	0	0
0	Other Non-Current Liabilities	0	0
0	<b>Total Non-Current Liabilities</b>	0	0
	<b>Net Assets</b>	1,934	1,331
	<b>Current Ratio</b>	1.5	2.1
	<b>Equity Ratio</b>	32.5%	52.9%

Estimate 30-Jun-23	STATEMENT OF CHANGES IN EQUITY	Actual 31-Dec-23	Budget 31-Dec-23
	<b>Equity Opening Balances</b>		
224	Accumulated Comprehensive Revenue and Expense	242	366
1,680	Restricted Funds	1,568	1,568
1,904	<b>Total Equity Opening Balance</b>	1,810	1,934
	<b>Comprehensive Revenue</b>		
(93)	(Deficit)/Surplus for the year to retained earnings	123	(239)
(93)	<b>Total comprehensive revenue</b>	123	(239)
	<b>Equity Closing Balances</b>		
242	Accumulated Comprehensive revenue and expense	366	127
1,568	Restricted Funds	1,568	1,568
1,810	<b>Total Equity-Closing Balance</b>	1,934	1,695

WZT Second Quarter, 2023/24 Report to WCC

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Actual 30-Jun-23	<b>STATEMENT OF CASH FLOWS</b>	Actual 31-Dec-23	Budget 31-Dec-23
	<i>Cash provided from:</i>		
11,339	Operating Revenue	5,020	3,190
67	Interest Received	49	3
(621)	Net GST Cashflow	314	0
10,785		5,383	3,193
	<i>Cash applied to:</i>		
(6,469)	Payments to Employees	(4,424)	(1,774)
(3,016)	Payments to Suppliers	(3,480)	(646)
0	Term investments		0
(9,485)		(7,904)	(2,419)
1,300	<b>Movement</b>	(2,521)	774
3,689	<b>Cash balance at beginning</b>	4,989	1,512
4,989	<b>Cash balance at end</b>	2,468	2,286

**WellingtonNZ (Wellington Regional Economic Development Agency Ltd)**  
**Report to the Wellington City Council LTP, Finance & Performance Committee**  
**Second Quarter ending 31 December 2023**

<b>MISSION</b> Creating a thriving Wellington region for all		
<b>MORE</b> Businesses succeeding & employing more people	<b>MORE</b> Locals & visitors participating in events & experiences	<b>MORE</b> Collaboration & investment across the region
<b>JOBS FOR THE FUTURE</b>	<b>PLACEMAKING</b>	<b>COLLABORATION &amp; ENGAGEMENT</b>
Support businesses to grow, innovate & meet future workforce needs.	Enhance Wellington's reputation as New Zealand's creative heart	Work in partnership to support investment in the region to unlock opportunities
<b>Highlights</b>		
<b>JOBS FOR THE FUTURE – support business to grow, innovate and meet future workforce needs</b>		
<ul style="list-style-type: none"> <li>○ Through the Regional Business Partner program, our team has directed \$144,038 from the Management Capability fund to support 49 businesses. These interventions operate on a 50/50 funding basis, resulting in a combined management capability investment of \$288,076. Our innovation specialists also delivered impressive results, assisting 70 innovator companies (on an annual target of 120) and generating 230 Callaghan Innovation product referrals, nearly meeting the annual target of 240 by the close of Q2.</li> <li>○ As part of our commitment to meet future workforce needs in the region and outlined in the REDP, we continued our leadership training program, including a CTO workshop and a capital raising workshop in Wairarapa in October. In November, we brought in a SaaS sales expert from Sydney for three events in Wellington, including an all-day workshop for 30 marketers from our burgeoning SaaS sector, with co-funding provided by participating companies.</li> <li>○ Another REDP project, the Screen Accelerator exceeded its target by accommodating 50% more participants, responding to high demand. A series of workshops for screen practitioners at various career stages was conducted. Led by Hollywood Producer Jon Kroll, these workshops aimed to cultivate viable ideas for unscripted content. Notably, nine participants have received follow-up interest from both domestic and international buyers, including four with interest from multiple buyers. Tall Poppy Films Ltd, taking the lead in this initiative, is actively involved in supporting ongoing discussions to secure production deals.</li> <li>○ Screen Wellington is also working toward expanding their in-school film and screening programme to large intermediate schools in the region after a successful pilot programme in South Wellington Intermediate School.</li> <li>○ Summer of Engineering has emerged as a highlight. The 2023 programme was completed with 16 placements across 10 organisations. Of these, four candidates moved from out of the region to Wellington for their roles. There was great engagement from engineering employers and planning for 2024 is well underway. By comparison, demand for tech grads and interns through the Summer of Tech programme overall was down 50% on 2022 numbers, 224 placements were successfully secured but student enrollment had surged to over 3000. Our support to the sector and to education-to-employment initiatives like this is as important as ever.</li> </ul>		

## WellingtonNZ

### PLACEMAKING – enhance Wellington's reputation as New Zealand's creative heart

- Honouring our role as a UNESCO Creative City of Film, we successfully secured a panel spot at SWSW Sydney titled "Indigenous Collaboration: Making Films that Heal". This served as an exceptional opportunity to highlight Wellington's commitment to supporting indigenous filmmakers and showcase our local Māoriland Film Festival in Ōtaki. The event garnered publicity through two indigenous radio stations in Australia and a featured print article. Plans are underway for further collaborations.
- Closer to home notable screen sector events unfolded, including the NZ Youth Film Festival in December—a multi-year anchor to Wellington in its inaugural year. Additionally, the Spada Conference made a significant return after a five-year hiatus. The primary goal was to position Wellington as an appealing destination for filming, attract crew members to relocate here, and engage producers contemplating Wellington for their projects.
- The screen attraction programme is achieving notable success as we actively support multiple productions, including Kōkō, I, Object, Wolfman (a significant Blumhouse production scheduled for Lane Studios), The Rule of Jenny Penn, Taonga, and Avatar.
- In the performance space, notable performances included NZ Opera's Morpheus, RNZB's Hansel & Gretel + their 70th Anniversary celebrations, Tim Finn, ABBA's Bjorn again, Ziggy Alberts, Wellington Jazz Festival, Semi Permanent, the sold out Dracula's Cabaret season from Australia, the iconic Kiwi play Ladies Night and more all enjoying strong sales.
- Live In WLG played a key role in launching a diverse array of shows, featuring standout events such as the final Aotearoa NZ Festival of the Arts headline program, performances by Macklemore, pop sensation Tate McRae, Calexico, Mogwai, Grand Designs' Kevin McCloud, Queens of the Stone Age, and UK comedy legends Dawn French & Bill Bailey, among others. These shows were supported by our Live in WLG presales, which have seen continuous growth due to our ongoing brand awareness efforts. Notably, in some instances, our presales have even surpassed those of larger databases such as Live Nation and Ticketmaster. This success underscores the effectiveness of our unique editorial and targeted approaches.
- Tākina's first summer exhibition opened with Marvel: Earth's Mightiest Exhibition, a celebration of 80 years of the Marvel universe, showcasing creativity from page to screen. To enhance awareness and drive ticket sales throughout the 4-month exhibition season, we executed an extensive multichannel marketing and communications plan. The strategy includes a mix of social, radio, out-of-home (OOH), digital, print, influencer collaborations, and cinema promotions. We've also established dedicated PR support and partnered with Wellington Airport, Disney, ANZ, Marvel, Sky Stadium, Armageddon Expo, and Wētā. Citywide activations include the giant Mjolnir (Thor's Hammer) at the Waterfront, the Ngā Tipua Nui Sculpture at the Airport, the Well\_ngton Sign, and immersive experiences at Tākina itself.
- The recent announcement of Dr Who 'Worlds of Wonder' resulted in strong media pick up with Stuff, Post, NZ Herald, TVNZ, 3 News, RNZ — 1000+ sign-ups for ticket alerts for the BBC show that will be at Tākina in June 2024. Social media lit up about it signalling a strong audience base to engage in coming months.
- WOW had another successful season, with overall attendance of 59,547 with 63% of the audience coming from outside of the Wellington region, and the event achieved a Net Promoter Score (NPS) of 84. We ran a dedicated marketing campaign, including WOW in our destination marketing efforts, pushed national and international PR, hosted famils here and in Aus. City activation included city dressing, lighting a number of key buildings. The WOW sign made its return on the Waterfront in partnership with Resene. BEYOND in Wellington was part of the city activation programme where retailers offered something unique to their customers during the time of WOW receiving assets and inclusions in a digital map of participating stores; while Share & Win city activation map was again rolled out for the i-Site, hoteliers and city ambassadors, with a vast OOH campaign on print posters throughout Wellington City. Our campaigns collectively delivered over

## WellingtonNZ

2,200,000 impressions across these campaigns. WellingtonNZ hosted 3 separate famils that also attended WOW as part of the itineraries.

- The Wellington Jazz Festival was successfully delivered with a programme in the MFC and across various venues in the City. We provided generous support across WellingtonNZ channels, including multiple event articles about headliners, and seasonal guide inclusions, delivering over \$16,000 of social media VIK with a total reach of over 136,000. We also activated promotion across Venues Wellington and City Council digital screens, leveraged partner publications with Kia Ora and the Interislander magazine, contributing to the total tickets sold of 10,900.
- It has been a busy period for tourism trade events team with WellingtonNZ representing the Wellington & Wairarapa Marketing Alliance at Tourism New Zealand's KiwiLink Southeast Asia Roadshow, KiwiLink North America and Europe events and more recently KiwiLink China, educating and training frontline agents on Wellington. The North American market is the star international performer with greatly enhanced air connectivity to New Zealand.
- The 2023/24 cruise season is underway with the largest ship, Ovation of the Seas, arriving 31 October. Due to the extensive city-works programme, the single-shuttle location is Lower Lambton Quay outside Old Government Buildings. CentrePort has invested in new shelter and an information container at port to provide better passenger facilities and last season's bus shortages have been addressed over the winter. After a difficult season last year, cruise ground handlers report that Wellington is operating well and they are more concerned with challenges in Lyttleton and Dunedin.
- The initial results from our remarketing campaign with Qantas are positive. Running from 1 Jun – 30 Nov, the campaign's objective is to drive sales and conversion. Overall, it is performing well so far, particularly with the constraints on the Tasman, with 177 direct bookings and 3,344 indirect bookings (saw one of our ads and booked within 30 days).
- Trail's spring digital promotion targeting the Wellington region has garnered positive engagement and results. Since launching on 20th October, our campaign has reached 137k+ people and resulted in 13.6k landing page views. Work continues with the Digital team to increase trails content on WellingtonNZ.com, and a photography project is underway to capture hero photography with talent on approximately 12 different trails during summer months.

## WellingtonNZ

### COLLABORATION AND ENGAGEMENT – work in partnership to support investment in the region to unlock opportunities

- With the support of CHQ, WEDS hosted the first regional events under the Wellington Tech Sector Acceleration Strategy. These included a Capital Raising Workshop, and a Sales & Marketing Accelerator breakfast. Each event was well attended, with demand established for further events in the Wairarapa. Other workshops included the first AgriTourism workshop delivered in Wairarapa by Inside NZ, Lincoln University and Destination Wairarapa and funded by WEDS. This was focused on exploring land and income diversification options in the primary sector.
- As part of the regional economic development plan we held a community talanoa (conversation) in Porirua which has informed the direction of the Pasifika business enablement initiatives. We have since made new connections within Pasifika Business Trust, Ringa Hora and Wellington Pasifika Business Network who have agreed to collaborate with us on delivering these initiatives.
- In collaboration with Hutt City Council we have supported Pro-Dev to finalise a business case and proposal to build further support, collaboration and funding for the STEM product commercialisation innovation space initiative and programmes.
- Over 2023, we've built a newsletter database of 1500 Wellingtonians who want to follow our tech sector development work and attend learning events. As well as our news, and useful stories about tactics Wellington companies are using to grow, the newsletter lists all tech sector related events and the highlights the best available jobs from companies we support. We put out one newsletter each month and it has become a well-read hub of Wellington tech.
- In conjunction with Kiwi SaaS and five Wellington tech companies we facilitated a tech sector event at Dockside in December with around 400 people attending. These events are important for us to create community in the tech sector, make Wellington feel like a vibrant place to work and help companies retain talent.
- We currently have three businesses in our scale-up programme; Virtue, Litmaps and NextWork. In November, we helped NextWork to secure \$2M in funding from Sydney and Auckland VC funds. They are now scaling their team in Porirua and looking to market to global customers.

## WellingtonNZ

Performance Measures (KPIs) in the SOI 2023/2024				
<b>WellingtonNZ is delivering direct value / ROI on our shareholder investment</b>				
<b>KPI: Direct Economic Impact of WellingtonNZ's activities and interventions</b>				
Full Year Target 23/24	Q4	Q3	Q2	Q1
\$150m			\$100.5m <sup>1</sup>	
<b>WellingtonNZ is shaping and amplifying the regional destination/brand story</b>				
<b>KPI: Equivalent Advertising Value (EAV) from media activity</b>				
Full Year Target 23/24	Q4	Q3	Q2	Q1
\$30m			\$22.19m	
<b>KPI: Value of Expenditure generated by events</b>				
Full Year Target 23/24	Q4	Q3	Q2	Q1
\$110m			\$52.9m <sup>2</sup>	
<b>KPI: The number of Wellington Region Residents that attend events</b>				
Full Year Target 23/24	Q4	Q3	Q2	Q1
550,000			236,108 <sup>3</sup>	
<b>WellingtonNZ is supporting businesses to upskill and grow</b>				
<b>KPI: Number of different business engagements in WellingtonNZ Programmes</b>				
Full Year Target 23/24	Q4	Q3	Q2	Q1
2,300			852 <sup>4</sup>	
<b>KPI: Number of Māori Businesses and Projects supported across WNZ.</b>				
Full Year Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline			108	

<sup>1</sup> Major Events data included in this result omits two events which took place in Q2 due to a reporting lag

<sup>2</sup> Major Events data included in this result omits two events which took place in Q2 due to a reporting lag

<sup>3</sup> Major Events data included in this result omits two events which took place in Q2 due to a reporting lag

<sup>4</sup> There are a few annually collected measures which are not reflected in quarterly reporting.

## WellingtonNZ

**KPI: Number of different Pasifika Businesses and Projects supported across WNZ.**

Full Year Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline			2 <sup>5</sup>	

### Internal – Financial Health

**KPI: Budget on track – income, expenditure, and surplus/(deficit)**

Full Year Target 23/24	Q4	Q3	Q2	Q1
To budget			To budget	

**KPI: % of revenue from non-council funding and commercial activity (WellingtonNZ group)**

Full Year Target 23/24	Q4	Q3	Q2	Q1
34%			27.80%	

### Internal – Employee Health

**KPI: Employee Engagement**

Full Year Target 23/24	Q4	Q3	Q2	Q1
78%			NA <sup>6</sup>	NA

### Internal – Stakeholder Relation Health

**KPI: Stakeholder Satisfaction**

Full Year Target 23/24	Q4	Q3	Q2	Q1
90%			NA <sup>7</sup>	NA

<sup>5</sup> This captures projects (including support for multiple businesses) rather than businesses at this stage

<sup>6</sup> Measured annually in February of each year.

<sup>7</sup> The satisfaction measures will be reported annually in Q4 of each year



## WellingtonNZ

### KPI: Māori Business Satisfaction

Full Year Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline			NA <sup>8</sup>	NA

### KPI: Pasifika Business Satisfaction

Full Year Target 23/24	Q4	Q3	Q2	Q1
Establish a baseline			NA <sup>9</sup>	NA

<sup>8</sup> The satisfaction measures will be reported annually in Q4 of each year

<sup>9</sup> The satisfaction measures will be reported annually in Q4 of each year

## WellingtonNZ

### Q2 2023/24 Financial Summary\*

#### Wellington Regional Economic Development Agency Ltd (t/a WellingtonNZ)

STATEMENT OF FINANCIAL PERFORMANCE	YTD Actual 31-Dec-23	YTD Budget 31-Dec-23	FY Budget 30-Jun-24	FY SOI 30-Jun-24
<b>Revenue</b>				
Revenue from Shareholders	13,236,847	15,136,371	25,132,194	24,849,995
Other income	4,414,355	6,096,513	9,342,190	9,493,648
<b>Total Revenue</b>	<b>17,651,203</b>	<b>21,232,884</b>	<b>34,474,384</b>	<b>34,343,643</b>
<b>Expenditure</b>				
Personnel Costs	7,900,023	8,209,572	16,186,618	16,037,200
Investments in Projects and Events	6,084,192	6,961,429	16,065,161	15,623,602
Other Expenditure	1,402,445	1,308,060	2,722,174	3,182,841
<b>Total Expenditure</b>	<b>15,386,661</b>	<b>16,479,060</b>	<b>34,973,953</b>	<b>34,843,643</b>
<b>Net Surplus/(Deficit)</b>	<b>2,264,542</b>	<b>4,753,823</b>	<b>(499,569)</b>	<b>(500,000)</b>

Note that budget figures are slightly different from SOI figures due to budgets being finalised after SOI deadlines.

- Shareholder revenue is under budget due to timing of Major Event expenditure, income in advance is released to match expenditure when it is incurred. Additionally budgeted timing was earlier than is now anticipated. This is also reflected in Investments in projects and events.
- Other revenue is lower due to some pipelined revenue, including at CreativeHQ, being delayed.
- Personnel costs are lower than anticipated due to timing of roles being filled and a lower turnover rate than budgeted. Some additional costs are being recouped from WCC under secondment agreements for staff currently on secondment to WCC. Active plans are in place to ensure that personnel costs remain within budget and any additional personnel revenue are recouped.
- WellingtonNZ matches its financial expenditure on programmes with revenue earned. Although our bottom line is running lower than budget, this is timing only between revenue earned and expenditure incurred and there are no current concerns about WellingtonNZ not being able to meet its financial targets.

STATEMENT OF FINANCIAL POSITION	Actual 31-Dec-23	Actual 30-Sep-23	Actual 30-Jun-23	SOI 30-Jun-24
<b>Assets</b>				
Current Assets	11,954,742	12,266,764	13,004,541	7,400,000
Investments	1,687,471	1,695,904	1,695,904	1,900,000
Other Non-Current Assets	1,001,663	1,031,373	1,393,280	100,000
<b>Total Assets</b>	<b>14,643,877</b>	<b>14,994,042</b>	<b>16,093,725</b>	<b>9,400,000</b>
<b>Current Liabilities</b>	<b>9,207,655</b>	<b>10,769,574</b>	<b>12,872,755</b>	<b>7,000,000</b>
<b>Net Assets</b>	<b>5,436,222</b>	<b>4,224,468</b>	<b>3,220,970</b>	<b>2,400,000</b>

- Current Assets lower than June due to lower cash reserves held by CreativeHQ.
- Accounts Payable lower than 30 June due to 30 June containing invoices for FIFA activation.
- Revenue in advance is lower than 30 June due to the utilisation of funding for FIFA activities during July to September
- The organisation has sufficient funds to meet all liabilities as they fall due. There are no issues with debt control.

### Challenges – Summary of the key quarter challenges

- Our Business Transition Manager will continue to support businesses through city infrastructure works. The uncertainty around the calendar of progressing works remains the largest consternation for businesses.
- A further ESC Key LGOIMA was received in the period, from The Spinoff, requesting further information around the pitch process and other ideas considered. Some of this information was withheld for commercial sensitivity reasons.
- A Tax Payers' Union LGOIMA was received for the Advent Calendar around resourcing which was responded to in full.

### Coming Up – priority on delivering key programmes in WCC's Economic Wellbeing Plan, Destination Ponēke Plans and The Regional Economic Development Plan

- Major Events welcomes the Foo Fighters concert in January, NZ vs Australia T20 & Test Cricket in Feb/March, Aotearoa NZ Festival of the Arts in Feb/March and Homegrown in March, delivering on the Summer Sorted campaign. Our Performance events team has been busy working on the future calendar, with TSB Arena shows confirmed for The National (Feb), Queens of the Stone Age (March), Macklemore (May) and Tate McRae (Nov).
- With our rautaki brand completed via Oho we are working alongside Extended Whānau on the refreshed visual identity for WellingtonNZ. This suite of designs and brand guidelines will shape the way we present in the world ongoing, across media channels and our lines of business set to be completed early 2024. We are finalising our preferred agency partner to deliver a new brand platform. Set to launch in April 2024 with a dedicated visitation campaign, we will exploit this brand platform to drive communications across the business, tailored to key audiences, messages, and channels.
- Two initiatives put forward by the Wairarapa Skills Leadership Group have secured WEDS funding and will be progressing to implementation: the Digital Fluency initiative is led by WaiTech Trust and will seek to grow young people to be more digitally literate; whilst the Ūmanga Tūmatarau Careers Event is led by REAP and will contribute to building resilience to grow capable people.
- Project planning has ramped up with two contract roles in the final stages of recruitment to support the team on TRENZ 2024, New Zealand's most important event of the year on the national tourism calendar. TRENZ Seller registrations are complete and Wellington will have a record number of 20 Sellers with several attending for the first time, including Wellington Zoo, Xplor Tours, Zozo, Capital Personalised Tours, Nga Manu, East By West Ferries and a return by Te Wharewaka o Ponēke. WellingtonNZ will put an extensive education and support programme around those new Sellers to make maximise their TRENZ investment.
- A strong forward calendar of marketing activity for the Marvel Exhibition is in play including collaborations with Disney and Weta FX. Various opportunities for earned media with merch auctions, Women of Marvel, Te Reo comics and several famils scheduled for sponsored content. The winter 2024 exhibition for Tākina has been contracted and annouced and the 2024/25 summer exhibition is in the final stages of contracting.
- A New Zealand – Canada Co-production summit to be held in Wellington March 17th – 20th – thirty producers from Canada will meet with NZ producers to discuss co-production and collaboration opportunities – hosted by NZ Film Commission, Women in Film and Television (WIFT) and Canadian Broadcasting Company, Screen Wellington/WNZ and Canadian Embassy the three day summit will involve an event hosted at Park Road Post and attended by diplomats, politicians and leaders in the sector.

## **WellingtonNZ**

- Animation, VFX and Gaming showreel – continuing development of the showreel to promote the significant screen businesses in creative tech – major gaming, animation companies have contributed including Weta Workshop, Pik Pok and Floating Rock Studios.
- ‘Annecy Pop-Up’ Film Festival March 18/19th at the Roxy for the first time outside of Annecy France this famed animation film festival will have a small ‘pop-up’ festival in Wellington, supported by the French Embassy, NZFC and Screen Wellington as a UNESCO City of Film this family-friendly cross-cultural event will also highlight the amazing animation community and animation/creative tech study opportunities in Wellington city.

# REPORT BACK ON WELLINGTON MAYORAL DELEGATION TO ASIA 2023

## Kōrero taunaki | Summary of considerations

### Purpose

1. This paper to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee provides a report back on Mayor Tory Whanau’s visit to Xiamen, Tianjin, Beijing, Sakai and Seoul in September 2023.

### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

### Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

### Relevant Previous decisions

### Financial considerations

- Nil
  Budgetary provision in Annual Plan / Long-term Plan
  Unbudgeted \$X

2. Mayor Whanau’s travel to Asia was budgeted at \$11,000. Actual costs include flights, accommodation, transportation and meals are \$6,491.71.
3. Expenses incurred during the Mayor’s visits in Xiamen, Tianjin and Seoul were paid by Wellington’s sister/friendly cities. Beijing and Sakai covered some of the Mayor’s costs.
4. WeGO (World Smart Sustainable Cities Organization) funded part of the Mayor’s airfares.
5. Costs for Mayor Whanau’s visit to Asia are as follows:

International and domestic flights	\$4,534.03
Accommodation (China, Japan, South Korea)	\$854.66
Ground transportation	\$612.36
Other costs (Chinese visa, meals, CO <sup>2</sup> emissions offset)	\$490.66
<b>Total costs</b>	<b>\$6,491.71</b>

**Risk**

|  Low |  Medium |  High |  Extreme

6. This is a report back paper on an overseas mayoral delegation that has already been completed. The decision in the report is to receive the report and therefore the risk is low.

Authors	Baz Kaufman, Manager Strategy and Research Tom Yuan, International Relations Manager Melanie Crawford, Senior Int'l Relations Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

**Taunakitanga | Officers' Recommendations**

Officers recommend the following motion:

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

1. Receive the information.

**Whakarāpopoto | Executive Summary**

7. Mayor Whanau led a civic and business delegation to Xiamen, Tianjin, and Beijing (China), Sakai (Japan) and Seoul (South Korea) from 17-28 September 2023.
8. The purpose of the visit was to:
  - a) Sign a sister city agreement with Seoul (previous triennium commitment)
  - b) Support Wellington business and education sectors with opportunities in Asia
  - c) Maintain and deepen the sister city relationships after COVID-19.
  - d) Attend international events and support further stakeholder collaboration.
9. Mayor Whanau also was a speaker at both the World Cities Summit Mayor's Forum and the 6<sup>th</sup> WeGO General Assembly in Seoul from 25-26 September.
10. The delegation comprised of 26 representatives from the screen, creative and design industry, Tākai Here partners, sports organisations, and the education sector. This is one of the largest business delegations taken in recent years and reflects strong demand from the business sector for support to access the Asian market.
11. A survey was sent to delegates post-visit, with all respondents indicating they were satisfied with the trip.
12. Council officers including the Chief Māori Officer and staff from the Mayor's Office and International Relations teams also accompanied the delegation to provide support. The manager from Economic Wellbeing Business Unit also accompanied the delegation for the China leg of the trip to support the business delegates.

**Takenga mai | Background**

13. Kārau Tōtōpu | Long-term Plan, Finance, and Performance Committee approved the mayor's travel on 29 June 2023.
14. This was the first official visit by Wellington City Council in three years since borders re-opened after the COVID-19 pandemic.

15. The mayoral-led delegation to Wellington's sister and friendly cities provided an opportunity to reconnect and strengthen cultural and historical bonds, grow international education opportunities, develop business, and trade cooperation, and identify collaboration opportunities on emerging city issues.
16. Interest in the joining delegation was high, after prolonged lockdowns and an economic downturn, businesses were keen to capitalise on the opportunity that a Mayoral delegation affords.
17. Engaging in international markets is crucial for the growth of small and medium enterprises, but they can often face significant barriers. For companies looking to grow their international connections, sister city relationships are an important resource.
18. Leaders of local government in Asia hold significant influence, with mayor's holding high status, particularly in Japan and China. The Mayor's presence can open doors overseas for many of our delegates.
19. Connections into Asia is also important for the city's education sector. In 2018 international students contributed \$5.1 billion to New Zealand's GDP as well as a tourism contribution of \$460 million to the national economy. In 2023 it is estimated that a single international university student contributes \$50,000 per annum to the local economy.
20. With high interest, representatives from our Tākai Here partners and Wellington's business, education and film sectors were keen to participate in the visit. A total of 26 delegates participated in the Asia trip – one of the largest in recent years. Due to the short timeframe between Council's decision and the trip's departure date, a number of potential delegates could not make the date work and so there is still demand in the sector for future trips.
21. Representatives from Council's Tākai Here partnership accompanied the Mayor on her Asia trip. The trip provided an opportunity for Council to demonstrate its commitment to this partnership and offered the chance to bring an indigenous voice to our sister and friendly cities, showing our unique perspectives on local and international issues.
22. As a result of the Tākai Here partnership working with the mayor, Wellington signed its first te reo Māori sister city agreement (with Seoul).
23. Senior representatives from New Zealand embassies and consulate-generals in China and South Korea joined the Mayor's visit in Xiamen, Tianjin, Beijing and Seoul.

### **Kōrerorero | Discussion**

24. Mayor Tory Whanau led her first official delegation comprising of 26 Wellington-based organisations. The delegation included members representing our Tākai Here partners, as well as companies and organisations such as Floating Rock, Screen Wellington, Massey University and Victoria University of Wellington, Wellington Phoenix, Sanford Ltd and ATA.
25. The visit included discussions on potential film co-production and gaming projects, student study abroad and education collaboration, indigenous connections, sports exchange and training, export and business cooperation, and also strengthened our sister city relationships.
26. Each city had specific areas of focus, with objectives and key activities arranged for each delegate to support that focus. The focus and high-level programme for each city visited is outlined below.

#### **Xiamen and Beijing**

- *Focus:* Film and international education

- *Programme:* Sign refreshed and updated MOUs, explore collaborative pathways between film sector and education providers, support discussions with potential partners for Wellington Phoenix football academy proposal, and showcase Wellington's Tākai Here partnership, and business and education sectors to key industry partners.

#### **Tianjin**

- *Focus:* Sports and international education
- *Programme:* Explore business and education pathways, provide opportunities for connections to key industry partners, support discussions with potential partners for Wellington Phoenix football academy proposal.

#### **Sakai**

- *Focus:* Civic – support for 30 years of sister city relationship
- *Programme:* Hold Wellington themed education events to support the sector, engage with a key Wellington stakeholder, and issue a formal invitation to Sakai City Government to visit Wellington for the 30th anniversary of the sister city relationship (to be celebrated in 2024).

#### **Seoul**

- *Focus:* Civic – formalising new sister city relationship
- *Programme:* Sign a Sister City Agreement and a new MOU on relationship and cooperation (in English, Māori and Korean), present a keynote speech on Wellington's priorities and projects that support a safe and inclusive city at a global summit, and explore opportunities for cooperation on film and creative industry projects.

27. Senior meetings with mayors and other civic leaders and diplomatic officials were conducted in each visited city, to ensure high level exposure for delegation members and person-to-person relationship building between government officials – an essential exercise in ensuring the success of a cross-cultural partnership.
28. A full list of major activities during the trip can be found attached to this report.
29. The next section of the report outlines in more detail activities undertaken in each city visited.

#### **Xiamen, China**

30. The delegation visited Xiamen, one of Wellington's oldest sister cities. The programme was focused on business, education, and film opportunities.
31. Xiamen has a vision to be the creative hub for filmmaking in China. Xiamen University is developing a film school with the aim to position the University as the centre of high-quality, innovative film training in China.
32. Massey University and Xiamen University signed a new letter of intent, which will make it easier for Chinese film students to complete their studies in Wellington at Massey's new Academy of Screen Arts.
33. Wellington City Council and Xiamen Municipal Government signed an updated memorandum of understanding on cooperation, with a focus on strengthening collaboration in fields such as economic development, screen collaboration, educational exchange, port partnership as well as knowledge and information sharing on shared city issues such as environmental protection, sustainable growth and urban transportation.



34. While in Xiamen, a Wellington promotional event was held. Showcasing Wellington's film and creative sectors, as well as screen and film education and study opportunities to an audience of approximately 700 industry representatives, government officials and university students.
35. Another key activity was a business event with ITG and a business roundtable meeting. ITG is one of China's top 500 enterprises and is the second largest company in Xiamen. It has business and investment interests in New Zealand and is looking for further investment in film and education, and cooperation on import/export opportunities.
36. Mayor Whanau led a pitch meeting to Chinese investors to secure funding for a Xiamen-Wellington film co-production. The film makers have New Zealand funding but were seeking to secure the remaining investment. It is hoped that as result of these meetings, filming can start on the film – set in both Xiamen and Wellington this year.
37. Members in the delegation achieved goals of making new connections and strengthening existing relationships.

### **Tianjin, China**

38. A visit to Tianjin was added to the programme after an invitation from Tianjin Mayor. Wellington entered a partnership with Tianjin in 2000, initially focused on sharing of scientific, technical and policy expertise relating to earthquakes. However, recent cooperation has primarily focused on business, sport, and education opportunities.
39. Tianjin is a vibrant, attractive, and sophisticated city. The visit to Tianjin was brief but fruitful. Vice Mayor of Tianjin, Li Wenhai met with Mayor Whanau and delegates for a formal meeting and dinner. This was followed by a networking and business matchmaking event.
40. The business networking was very successful. As a result, in January 2024 Wellington Phoenix signed an MOU with Tianjin Jinmen Tiger Football Club that will see the two sides play pre-season fixtures and the Phoenix Academy host young players from Tianjin. Victoria University of Wellington established contacts and are exploring project opportunities with Tianjin University Music School.

### **Beijing, China**

41. In Beijing, the delegation had a short but very full programme, and despite differences in scale, collaboration opportunities exist with our relationship reaching a level of maturity. A refreshed MOU was signed, with international education and exchange, smart cities, film, and gaming key areas of cooperation.
42. Beijing will support Wellington to host the World Tourism Cities Federation (WTCF) Summit in Wellington 2024 to strengthen cooperation in the areas of tourism and city development. Mayors of Beijing (President, WTCF) and Seoul (Vice Chairman, WTCF) with other international mayors from USA, Europe, Australia, and Asia will be invited to New Zealand.
43. Activities in Beijing were arranged around education and screen industries. Education leaders were able to market international education opportunities at a Wellington education promotional event arranged through JLL, an international education agency. More than 2800 people attended the event in person or online.
44. The screen (film and gaming) group also secured key meetings with counterparts in Beijing. Floating Rock, a VFX studio met with Perfect World, one of the largest gaming companies in the world. Seeking investment for their new animated TV series aimed at young adults, the meeting was promising, and Perfect World has already followed up.

### **Sakai, Japan**

45. Sakai is home to Kurimoto Ltd, a leading manufacturer of cast iron pipes, industrial materials and machinery. Their site in Sakai manufactures seismic resilient ductile iron

pipe. Through our sister city relationship with Sakai, a deal was brokered in 2018 between Kurimoto, Wellington Water and Hynds NZ to trial the use of these earthquake resistant pipes in Wellington, a first for New Zealand.

46. The visit to Kurimoto was an opportunity for Mayor Whanau and the delegation to see first-hand how sister city relationships can foster business cooperation on issues that both our cities face.
47. Other activities in Sakai were arranged around education exchange, with Mayor Whanau visiting a local elementary school and opening an art and design exhibition featuring artworks by students from Wellington high schools.
48. The Mayor also met with Vice Mayor Mr Motoya Kazuhiro, who was receiving the Wellington delegation on behalf of the Mayor as Mayor Nagafuji could not attend the meeting due testing positive for COVID-19. Mayor Whanau formally extended the invitation to Sakai City Government officials to come to Wellington for the 30 years celebration in 2024.

### **Seoul, South Korea**

49. The trip to Seoul was completed with the signing of a new sister agreement with Seoul Metropolitan Government. For the first time, a sister city agreement was signed in both English and te reo Māori. The agreement between the two cities will focus on areas such as international education, business and trade, and information and knowledge sharing on building smart cities and environmental sustainability.
50. In Seoul, Mayor Whanau joined 49 other mayors and city leaders at the World Cities Summit Mayors Forum, where she gave a keynote address on Wellington's experience in empowering communities and building an inclusive city. The Mayor also gave a speech at the 6<sup>th</sup> General Assembly session for WeGO members.
51. The Council's innovative work to respond to climate change impacts through its digital twin model was also recognised at the Summit where it won the Seoul Smart City Tech-Innovacity Prize.
52. Other meetings were held including with Kim Hyeonki, Chairman of the Seoul Metropolitan Council and Park Jung Sook, Secretary General of WeGO.
53. While in Seoul, Mayor Whanau, along with Tākai Here representatives and Screen Wellington met with Mayor of Taipei, Chiang Wan-an (who was also attending the World Cities Summit Mayors Forum). Wellington and Taipei are partner cities and have an agreement which focuses on cultural, education and indigenous exchange, as well as collaboration opportunities supporting the creativity, tourism and trade sectors.
54. Mayor Chiang extended the invitation to Wellington to participate in the Taipei Smart City Expo and Indigenous People's Week in 2024.
55. Local media coverage on the mayor's visit has been attached.

### **Post trip follow up**

56. Since the trip, Wellington City Council has hosted three delegations from Seoul Metropolitan Government, Richard Taylor's Wētā Film Academy project has progressed, and from 2024 will be partnering with Seoul on the initiative.

57. Tākai Here partners have been invited to Seoul to present at an education conference, and conversations are being held with the city government and Daisen Elementary School in Sakai (Japan) with Tākai Here partners to build a relationship with the local Kura Māori in Wellington, with the view to have regular exchanges between the two schools.
58. Dr Scott Wilson from Massey University has been selected to attend Xiamen University on an exchange this year, and Beijing Deputy Mayor and Xiamen Double Ten middle school are scheduled to visit Wellington in April 2024.
59. A survey on the Mayoral delegation was conducted post trip. Feedback from the delegation has been positive, with 100% of respondents indicating they were “very satisfied” or “satisfied” with the Mayoral delegation to Asia.
60. Delegates surveyed were asked if they achieved what they had hoped to out of the trip, with over 90% indicated yes.
61. Delegates surveyed were also asked if they thought participating in the Mayoral delegation was a good investment for their business, 90% of respondents said yes.
62. Some comments from delegates:
  - a. *This is a fantastic trip with Mayor to visit China. We had been greatly supported by Mayor and your team on meetings and strategies building in China, and these supports hugely improved the efficiency on our communications with Xiamen and Beijing side government representatives on projects. [The] Mayor’s support gave the China side government representatives the strong impression that Wellington is indeed a film city. I think this impression is going to benefit the future’s long-term cooperation on film, cultural communication for China and NZ, Wellington and its sister cities in China.*
  - b. *The delegation was well run, with excellent connections made with the right people at the right level.*
  - c. *I enjoyed the experience as it was very educational and offered a lot of potential opportunities.*
  - d. *It was a great trip for me, connecting not only with people and organisations in China, but also with our own delegation from Wellington.*

### **Future considerations**


63. Consideration needs to be given to the timing of the communication about the opportunity to join the delegation. Feedback from our Tākai Here partners, business representatives, and education providers highlight that there would be benefits and higher participation if they could be made aware of the opportunity much earlier to ensure they’re able to maximise their involvement and not miss any key opportunities.
64. Tākai Here partners noted the opportunity to align international relations work with Tākai Here and Tūpiki Ora Māori Strategy more deliberately going forward, and further discussions about indigenous ties between Wellington and South Korea and Taipei under the Tākai Here partnership will be explored in the future.

### **Ngā mahinga e whai ake nei | Next actions**

65. International Relations team to progress establishment of a Wellington Seoul Association.
66. International Relations team to work with Mataaho Aronui for help with engagement with Tākai Here partners to identify opportunities for the future.

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**Attachments**

Attachment 1.	Major Activities Mayoral delegation to Asia <a href="#">↓</a> 	Page 77
Attachment 2.	Overseas media reports <a href="#">↓</a> 	Page 79
Attachment 3.	Post trip update (February 2024) <a href="#">↓</a> 	Page 82

## **Major activities**

### **Xiamen**

#### **Monday 18 September**

- Visit to Yundang Academy
- Business meeting with ITG Holding Group, ITG Education Group, ITG Agriculture and Forestry Company and ITG Pointer Investment Company
- Visit to Xiamen University, met with university president Professor Zhang
- Wellington showcase and film night event
- Met with Mr Wu Zidong, Member of the Standing Committee and Director General of the Publicity Department, the CPC Xiamen Municipal Committee

#### **Tuesday 19 September**

- Business roundtable with Ms Ke, Chairwoman of CCPIT Xiamen (International Chamber of Commerce)
- Visit to Double Ten Middle School
- Met with Xiamen Mayor Mr Huang and signed an MOU on Cooperation followed by a welcome banquet
- Visit to Gulangyu Island
- Media interview

### **Tianjin**

#### **Wednesday 20 September**

- Visit to Tianjin Planning Exhibition Hall, and media interview
- Met with Tianjin Vice Mayor Mr Li followed by a welcome dinner
- Business networking event for education, trade, sport and environmental protection/sustainability

### **Beijing**

#### **Thursday 21 September**

- Business meeting with Perfect World
- Visit to Beijing Capital Normal University
- Wellington education promotion event at JIL Overseas Education
- Business visit to Beijing Film Academy
- Met with Mayor of Beijing Mr Yin and signed a MOU on Cooperation followed by a welcome banquet

### **Sakai**

#### **Friday 22 September**

- Business visit to Kurimoto Ltd and met with Mr Kikumoto, President of Kurimoto
- Met with Sakai Deputy Mayor Mr Kazuhiro

- Sakai Wellington Association welcome dinner

**Saturday 23 September**

- Visit to Daisen Elementary School
- Opening ceremony of Wellington Students Art & Design Exhibition
- Visit to Sakai Taian with tea ceremony
- Visit to Nintoku-tenno-ryo Kofun and Sakai City Museum

**Seoul**

**Sunday 24 September**

- World Cities Summit Mayor Forum (WCSMF) welcome dinner

**Monday 25 September**

- Mayor's keynote speech at WCSMF
- Received the Tech-InnovaCity Gold Award at Seoul Smart City Prize Ceremony
- Attended the World Smart Sustainable Cities Organization (WeGO) Reception

**Tuesday 26 September**

- Business breakfast with Mayor of Taipei Mr Chiang
- Met with Mayor of Seoul Mr Oh
- Wellington Seoul sister city MOU signing ceremony followed by media interview
- Paid a visit to New Zealand Embassy in South Korea
- Attended the 6<sup>th</sup> WeGO General Assembly Session

**Wednesday 27 September**

- Breakfast with WeGO Secretary General Ms Park
- Met with Seoul Metropolitan Council Chairman Mr Kim followed by a farewell luncheon

## Overseas media reports

All of these news reports were made available on Chinese social media networks, with an expected reach of 1.05 billion internet users.

### Xiamen

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#### Interview with 厦门日报 Xiamen Daily

<https://baijiahao.baidu.com/s?id=1777519979336683829&wfr=spider&for=pc>

Promoting Wellington by mentioning the similarities between it and Xiamen, and calling on people to visit, study, and do business in Wellington.

Xiamen Daily is one of the longest-running newspaper companies in Xiamen, with one million subscribers.

#### News story on 福建卫视-东单卫视新闻 Southeast Television

<https://news.cctv.com/2023/09/19/VIDEMBsn0MOSLnM0jcDXEiAi230919.shtml>

Southeast Television a Chinese television network based in the Chinese province of Fujian. It is part of the Fujian Media Group, which is part of the Fujian Radio Film and TV conglomerate. It reaches 42 million people in China and around the world.

#### Wellington showcase in Xiamen

[https://xm.cnr.cn/wlhz/20230920/t20230920\\_526427390.shtml](https://xm.cnr.cn/wlhz/20230920/t20230920_526427390.shtml)

#### Meeting between Wellington and Xiamen Mayor

[https://xm.cnr.cn/yw/20230920/t20230920\\_526426582.shtml](https://xm.cnr.cn/yw/20230920/t20230920_526426582.shtml)

Huang Wenhui, mayor of Xiamen in East China's Fujian province, welcomed Tory Whanau, Mayor of Wellington, New Zealand and her delegation on September 19.

Huang expressed his pleasure at Whanau choosing Xiamen as the first stop on her visit to China and briefly introduced the city's economic and social development.

"This is my first time visiting China, and Xiamen, a beautiful and vibrant city, has left a deep impression on me. I hope that this visit will serve as an opportunity to strengthen mutual learning and broaden the scope of cooperation, strengthen the friendship between the two cities, and more greatly benefit the people of both places," Whanau said.

After the meeting, Huang and Whanau, representing the municipal governments of Xiamen and Wellington, signed a memorandum of understanding on enhancing friendship and cooperation between Wellington and Xiamen, reaching a consensus in areas such as industrial development, film cooperation, educational exchanges, urban management, and port cooperation.

The Wellington Film Night in Xiamen event was held at Xiamen University, during which the School of Film at Xiamen University signed a collaboration agreement with the School of Film at Massey University. Meanwhile, the New Zealand film Red, White, and Brass (2023) made its Chinese premiere.

In an interview, Whanau stated: "We will step up cooperation with Xiamen in the film and television industry and are actively promoting joint film production between the two cities. We will support

the Golden Rooster Award event in strengthening the collaboration between the two cities in the film industry."

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### **Tianjin**

#### **Article on Mayor's visit to Tianjin**

<http://news.enorth.com.cn/system/2023/09/22/054414363.shtml>

Delegation visited the Tianjin planning exhibition hall, both cities have agreed to expand connections in sports and education.

北方网 Enorth Media Company is a significant media company of the Tianjin Municipal Government.

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### **Beijing**

#### **Article on 北京日报 Beijing Daily**

<https://news.bjd.com.cn/2023/09/23/10572717.shtml>

This news was also featured in its social media accounts.

Beijing Daily is the official newspaper of the Beijing municipal committee of the Chinese Communist Party (CCP). It has a circulation of about 400,000 per day, making it one of the most widely circulated newspapers in the city.

#### **News story on 北京广播电视台 Beijing Radio and TV**

<https://item.btime.com/200oq6usl08v9fi5kqggh7dre4b>

Beijing Radio and TV is a government-owned television network in China, with an audience of at least 25 million.

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### **Seoul**

#### **Interview with 코리아타임즈 The Korea Times**

[https://www.koreatimes.co.kr/www/nation/2023/09/113\\_360107.html](https://www.koreatimes.co.kr/www/nation/2023/09/113_360107.html)

The Korea Times is the oldest daily English-language newspaper in South Korea. Circulation is estimated at 2 million daily readers in more than 160 countries.

#### **News story on Seoul Metropolitan Government website**

[https://english.seoul.go.kr/seoul-and-wellington-become-sister-cities-elevating-bilateral-relations-from-friendship-cities/#:~:text=The%20Seoul%20Metropolitan%20Government%20\(SMG,smart%20cities%2C%20and%20personnel%20exchanges](https://english.seoul.go.kr/seoul-and-wellington-become-sister-cities-elevating-bilateral-relations-from-friendship-cities/#:~:text=The%20Seoul%20Metropolitan%20Government%20(SMG,smart%20cities%2C%20and%20personnel%20exchanges)



## Taipei

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### Media release from Taipei City Government

[https://www.gov.taipei/News\\_Content.aspx?n=F0DDAF49B89E9413&sms=72544237BBE4C5F6&s=688162238690B35D](https://www.gov.taipei/News_Content.aspx?n=F0DDAF49B89E9413&sms=72544237BBE4C5F6&s=688162238690B35D)

The main points are:

- On 26 September Taipei City Mayor Chiang had a breakfast meeting with sister city Wellington Mayor Tory Whanau in Seoul
- Mayor Chiang warmly invited Mayor Whanau to visit Taipei for the Smart City Summit & Expo and Indigenous Week in August
- Since Taipei City and Wellington City established “sister city relationship” in 2015, there have been frequent exchanges
- Mayor Chiang pointed out the importance of preserving indigenous culture so after taking office, he decided to change the original 1 August ‘Indigenous Day’ to ‘Indigenous Week’; invited Mayor Whanau to participate next year
- Mayor Whanau shared her Māori heritage and said she is also committed to increasing the promotion of indigenous culture
- Mayor Chiang added, this year, Taipei City Government established an Indigenous Rights Protection Committee in the hope to further the rights of indigenous peoples living in Taipei
- Being both young mayors, they discussed other common issues such as youth trends and smart cities

The press statement got picked up by media outlets in Taipei and used in stories about Mayor Chiang’s participation in the World Cities Summit Mayors Forum.

### **Post trip update (February 2024)**

#### **Wellington Phoenix**

Wellington Phoenix joined the mayor's delegation in China, and said the trip helped to accelerate development of its new international football academy – with meetings arranged in Xiamen, Beijing and Tianjin that would have taken them months, if not years to arrange.

*We've been working in this space for 18 months and the engagements we had in all three cities in China have supercharged our efforts... Travelling as part of the delegation truly does open doors – David Dome, GM, Wellington Phoenix*

Since returning to Wellington, the Phoenix has signed an MOU with Tianjin Jinmen Tigers FC that will see the two sides play pre-season fixtures and work together on the development of youth football at both clubs. The first game between the Phoenix and the Tianjin Jinmen Tigers is to be held in Tianjin September 2024 with Wellington hosting the second match next year.

#### **Floating Rock**

Floating Rock, a VFX Studio joined the delegation seeking funding and investment for an ambitious new animated TV series aimed at young adults. A number of meetings were arranged including with Perfect World, one of the world's leading game developers in Beijing.

Floating Rock has received funding for their project and Laurent Herveic, Founder and Director will share his thoughts about the Mayoral delegation and provide further updates at the committee meeting.

#### **Tākai Here partners**

Since returning to Wellington, Tākai Here partners have expressed interest in further developing a relationship with an elementary school in Sakai, with plans for an initial meeting between school officials and iwi progressing.

An invitation has also been extended to send a delegation to an indigenous cultural festival in Taipei later this year.

#### **Massey University**

During the trip, Massey University signed a new letter of intent with Xiamen University, which will make it easier for Chinese film students to complete their studies in Wellington at Massey's new National Academy of Screen Arts.

A Xiamen university delegation is scheduled to visit Massey University Wellington campus in April 2024.

#### **Sister city exchanges**

##### Sakai, Japan

Mayor Whanau met with the principal and students from Hatsushiba Ritsumeikan Junior and Senior High School in Sakai during her visit in September 2023.

The mayor then welcomed a 40-student group from the school in Wellington on 16 October, the students were participating on a two-week school programme with Tawa College, Aotea College and Paraparaumu College.

### Seoul, South Korea

Further exchanges have taken place since the sister city MOU was signed:

- A cultural performance group travelled to Wellington to participate in the K-Culture Festival
- A senior official from Seoul Metropolitan Government attended the 2023 Korean-NZ Smart Cooperation Forum
- An education delegation from the University of Seoul met with Council officials on urban planning and design, climate change adaptation and digital city model
- An official delegation interested in public health policies and initiatives
- Seoul Metropolitan Council Chairperson is scheduled to visit Wellington in April 2024
- A Wētā Film Academy proposal has been discussed and Seoul has agreed to support the project financially from 2025.

### Beijing, China

A senior Beijing Mayoral delegation is scheduled to Wellington in April 2024.

### Tianjin, China

A Tianjin Mayoral delegation is planning to visit Wellington in the second half of this year.

### **Business delegation**

26 business delegates joined the visit in September last year. There have been some collaboration and projects between the delegation members post-trip, including a project between E2E Centre and ATA. Further details are unable to be shared due to commercial sensitivity.



# QUARTER 2 PERFORMANCE REPORT

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## Kōrero taunaki | Summary of considerations

### Purpose

1. This report to Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee provides performance information for Quarter Two of the 2023-24 Annual Plan and aspects of the 2021-31 Long-Term plan (LTP). The report provides a governance and monitoring oversight of the delivery of the Annual Plan and current LTP. Oversight relates to the quarterly monitoring of financial and non-financial aspects of the:
  - LTP strategic direction i.e. tracking the delivery of key programmes supporting LTP priorities;
  - Key strategies and their action plans;
  - Budget performance; and
  - Strategy area performance e.g. delivery key performance indicators.

### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
  - People friendly, compact, safe and accessible capital city
  - Innovative, inclusive and creative city
  - Dynamic and sustainable economy
- Strategic alignment with priority objective areas from Long-term Plan 2021–2031**
- Functioning, resilient and reliable three waters infrastructure
  - Affordable, resilient and safe place to live
  - Safe, resilient and reliable core transport infrastructure network
  - Fit-for-purpose community, creative and cultural spaces
  - Accelerating zero-carbon and waste-free transition
  - Strong partnerships with mana whenua

### Relevant Previous decisions

None to note

### Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

### Financial considerations

- Nil       Budgetary provision in Annual Plan / Long-term Plan       Unbudgeted \$X

2. This report, and the attached Quarter 2 Performance Report, outlines the year-to-date (YTD) financial and non-financial position of the organisation as at quarter two.

### Risk

- Low       Medium       High       Extreme

Authors	Jocelyn Anton, Senior Advisor Planning & Reporting Lloyd Jowsey, Team Leader, Planning and Reporting Chris Lincoln, Finance Project Lead
Authoriser	Baz Kaufman, Manager Strategy and Research Stephen McArthur, Chief Strategy & Governance Officer Andrea Reeves, Chief Financial Officer

### **Taunakitanga | Officers' Recommendations**

Officers recommend 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) and 2023-24 Annual plan;
2. Recommend to Council to:
  - a. Increase 2022/23 opex expenditure budget by \$2.3m operational overspend of approved budget as in the detailed Wellington Water Memorandum dated 23 October 2023 (attached).

### **Whakarāpopoto | Executive Summary**

3. Quarter two shows pace of delivery for our large capital programme continued to increase despite a constrained economic operating environment, rising project input costs, inflation and water reform uncertainty. There were also a number of events in Wellington such as FIFA and the Women's rugby world WXV tournament, along with Zealandia being awarded the Air New Zealand Supreme Tourism Award which have had a positive impact on the city.
4. Quarter two Non-financial (KPI) performance is ahead of both the previous quarter and the same period last year, and the work programmes for key strategies remain overall on track.
5. Financial performance for the quarter has a surplus of \$6.1m, along with a full year forecast indicating a larger net surplus of \$57m (\$5m better than budget). Treasury performance was fully compliant.
6. Looking forward, tight economic conditions will continue to pressure venues and key project budgets.

### **Takenga mai | Background**

7. This report covers Q2 performance in relation to the 2021-31 LTP and 2023-24 Annual Plan. The period covered is 1 July to 31 December 2023. The actual date of receipt of the Quarterly report by Elected Members reflects both the Committee meeting cycle and the time required to compile report information from across the Council.
8. In keeping with good practice performance reporting information is generally reported as year-to-date (YTD). Any key changes to KPI performance is recorded on an exception basis. In general the target performance status (RAG status) for KPIs is represented as follows:
  - a. Green = 0%-4.99% off target;

- b. Amber = 5%-9.99% off target;
  - c. Red = ≥10% off target;
9. Project performance reporting also uses a similar colour coded RAG status. The meaning of the colours reflect project specific performance dimensions e.g. scope, communications, health and safety.
  10. The content structure, presentation of information and document layout is continuously improved to enhance readability and understanding. There is an on-going focus on developing the 'so what this means' from the performance data, to give an informed understanding of overall of organisational performance.
  11. The Quarterly report content is organised in four parts:
    - Part A: The Executive summary
    - Part B: Work programme featured update
    - Part C: Key Performance Reports covering LTP strategic investments work programme; Strategy Area financial and non-financial performance; financial and treasury performance; community outcomes; and
    - Part D: Detailed performance information (Appendices). This includes updates on five key strategies - Tūpiki Ora Māori Strategy; Te Atakura First-to-Zero; Children and Young Persons Strategy; Aho Tini – 2030 Arts, Culture & Creative Strategy; and He Rautaki Ōhanga Oranga Economic Wellbeing Strategy. As well as a detailed health status of Strategic work programmes.

## **Kōrerorero | Discussion**

### **LTP Strategic Priority Work Programmes: (for details see Part C, pages 8-10, of the Q2 report)**

12. The 2021 LTP contained an ambitious capital programme that has increased in size and pace of delivery.
13. The legacy of ongoing pandemic-initiated supply chain impacts along with inflation pressures, water reform uncertainty and project specific issues are having a material impact (i.e. budget, scope or delivery) on some significant projects for example:
  - The Town Hall project - significant cost escalations; and
  - Wellington Water's network continuity and upgrade programme.
14. Despite these pressures, the delivery progress of the 2021 LTP capital programme supporting strategic priorities (as revised by successive Annual Plans), continues to increase. Looking forward, a constrained economic environment and rising project input cost inflation are expected to increase pressure on capital budgets. .

### **Significant Investment programme (for details see Part C, pages 11-14, of the Q2 report)**

15. Of the 17 significant projects (a subset of the larger LTP work programme) the majority are in the planning (6 projects) or delivery (8 projects) phases. The main movements in projects since Q1 23/24 are Town Hall Redevelopment cost increase (Oct 2023) with subsequent re-baselining. Te Ngakau programme was reset and a new Governance board appointed. Bike Network Programme has project level risks to delivery due to contractor panel availability. Residual Waster – Southern Landfill (SLEPO) has an Amber status as it is awaiting a resource consent decision expected mid-March.

16. The health status across the project portfolio is 14 GREEN and 3 AMBER. There are unfavourable project health status for the Bike Network Programme, Housing Upgrade Programme (HUP2), SLEPO and the Zero Waste Programme (contingent on the SLEPO resource consent). All the programmes are subject to close monitoring and close project management.
17. The significant investment portfolio budget is showing a forecast full year favourable variance of \$65.4m however the Whole of Project Cost quarterly forecast shows an unfavourable variance of \$132.4m mainly deriving from a timing lag in HUP2. In the prevailing constrained economic environment and inflationary conditions, we expect there will be ongoing pressures on project budgets which require rigorous scope, cost and schedule risk management.

**Non-financial Performance: (for details see Part C, pages 8-36, of the Q2 report)**

18. Overall, 64% of KPIs were achieved for the quarter, which is a 5-percentage point increase in performance from quarter 1 (61%) and an improvement on the same quarter last year (61%). This was achieved by 3 additional KPIs reporting GREEN and a reduction in AMBER status KPIs from 5 to 3 between quarter 1 and 2.
19. The work programmes for reported strategies (e.g. Tūpiki Ora – Māori Strategy, Te Atakura - Fist to zero etc.) are largely going according to plan. Specific strategy challenges are not expected to constrain progress over subsequent quarters.
20. The overall health (across 17 project performance indicators) of the projects in the significant investments portfolio is GREEN. However, some projects (e.g. the Bike Network Programme) have project performance indicators with an unfavorable status.

**Financial Performance: (for details see Part C, pages 37-41, of the Q2 report)**

21. At the end of the second quarter of FY 2023/24, the Council has a surplus of \$6.1m. This is a favourable variance to the 2023-24 Annual Plan of \$4.7m.

	Year-to-date (\$000s)			Full Year (\$000's)		
	Actual	Budget	Var	Forecast	Budget	Var
	\$000's	\$000's	\$000's	(\$000s)	(\$000s)	\$000's
<b>Revenue</b>	417,049	410,554	6,496	890,272	868,544	21,727
<b>Expenditure</b>	410,952	409,131	1,821	833,032	816,365	16,668
<b>Net Operating Surplus</b>	<b>6,097</b>	<b>1,423</b>	<b>4,675</b>	<b>57,239</b>	<b>52,180</b>	<b>5,059</b>
<b>Net Capital Expenditure</b>	<b>222,556</b>	<b>321,964</b>	<b>-99,408</b>	<b>561,330</b>	<b>606,752</b>	<b>-45,422</b>

22. Revenue being ahead of budget by \$6.5m largely due to additional growth in overall capital values increasing rates revenue \$5.4m; an increase in rates penalties \$1.6m; an increase in other revenue reflecting unbudgeted vested or gifted assets \$10.8m; and an increase in Landfill and Rubbish Revenue of \$5.1m. This is offset by sludge minimisation grant revenue being down \$14.9m as actual capital spend has not occurred as expected.
23. Expenditure also exceeds budget by \$1.8m, which is made up of several movements, including increased depreciation.



24. Net Debt as at 31 December is \$1.3B and the liquidity ratio is 118% (treasury policy 115%). The LFGA requires a liquidity ratio of 110%. We are compliant with all counterparty covenants.
25. Quarter 2 YTD Wellington City Council has borrowed an additional \$175m and has prefunded \$132.5m of debt maturing this financial year from Local Government Funding Agency (LGFA) transactions in July, August, and September.

#### **Annual Plan budget change requests:**

##### **Wellington Water Limited**

26. To enable final payment to Wellington Water for the 2022/23 financial year, we are seeking to increase the 2022/23 opex expenditure budget by \$2.3m to account for an operational overspend of approved budget as per detailed Wellington Water Memorandum dated 25 October 2023. This is made up of overspends on the Moa Point Treatment Plant operating expenditure by \$1.3m and \$1m over 12 main projects. This expenditure was accrued for in the approved 2022/23 Annual Report.

#### **Community Outcomes (Wellbeing) Indicator Trends: (for details see Part C, page 42, of the Q2 Report)**

27. The Q2 report contains a summary of the published community outcome indicator trends to June 2023. Further longer-term trend data will be included in the 2023-24 Annual Report.

#### **Kōwhiringa | Options**

28. Committee has the option to accept the Officer recommendations included and discussed throughout this report.

#### **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

##### **Alignment with Council's strategies and policies**

29. The Quarterly performance report is a key governance tool for monitoring performance and progress against Council's strategies and policies.

##### **Engagement and Consultation**

30. No impact.

##### **Implications for Māori**

31. Strong partnerships with Mana Whenua is an LTP strategic priority that is monitored via this quarterly report

##### **Financial implications**

32. The financial implications of the additional budget request are outlined in the discussion section of this report

##### **Legal considerations**

33. No impact.

##### **Risks and mitigations**

34. No impact.

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### **Disability and accessibility impact**

35. No impact.

### **Climate Change impact and considerations**

36. An accelerating zero carbon and waste free transition is another LTP strategic priority that is monitored via this quarterly report.

### **Communications Plan**

37. No impact.

### **Health and Safety Impact considered.**

38. No impact.

### **Ngā mahinga e whai ake nei | Next actions**

39. The next report to Elected Members will be the quarter three (Q3) report covering July 2023 to March 2024 period of the 2023-24 financial year.

### **Attachments**

Attachment 1.	WCC OPEX increase to budget 2022-23 <a href="#">↓</a> 	Page 91
Attachment 2.	Quarterly 2 Performance Report <a href="#">↓</a> 	Page 95



## MEMO

TO Siobhan Procter (Wellington City Council)

COPIED TO Mark Ford (Wellington Water)  
James Peyper (Wellington City Council)  
Chris Matthews (Wellington City Council)

FROM Liam Wright; Head of Finance, Wellington Water

DATE 25 October 2023

## FOR DECISION

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### 2022/23 Opex Overspend

#### Summary

Wellington City Council's approved budget for its three waters operational expenditure programme was \$41.627m. This was increased by agreement in several increments, to a total of \$45.423m. Wellington Water has worked hard to constrain spending within that envelope. However, a series of relatively minor unexpected events, along with the impacts of wastewater process improvements and inflation on treatment plant costs have resulted in a year-end overspend of \$1.263m.

We request that Council approve the funding of this additional \$1.263m operational expenditure.

#### Operations programme approved expenditure for 2022-23

After the initial budget was set, a series of increments was approved throughout the year as follows:

Operations programme initial approved budget	\$41.627m
Agreed overspend (confirmed at the time budgets were set)	\$0.215m
Additional funding for water leak detection and repair activity	\$2.000m
Western wastewater treatment plant outfall pipe failure	\$1.326m
Central interceptor damage 218b Willis Street	\$0.026m
Hunter Street burst drinking water main March 2023	\$0.230m
<b>Total approved expenditure</b>	<b>\$45.423m</b>

### Year-end Result

The year-end result for operational expenditure for FY2022-23 was \$46.687m. Against the total approved amount of \$45.423m, this represents an overspend of \$1.263m.

This overspend has arisen in two principal areas of operational activity. Firstly, network repair costs exceeded approved expenditure by \$1.522m. The trend of increasing failure rates is continuing, and a number of events occurred that required responses beyond what is normally planned for. The largest of these are listed below:

21 Petherick Crescent, sewerage discharge due to collapsed wastewater main, depth of excavation required complicated the repair (August 2022)	\$ 40 k
Murphy St, Thorndon, remediation for wastewater overflow in main interceptor pipe (August 2022)	\$ 61 k
Cashmere Avenue, repair and clean up following burst drinking water main, which flooded downstream property, complications due to depth of excavation (October 2022)	\$ 43 k
Ngauranga Gorge, investigation and contingency plans required for drinking water main leak repair due to risk to surrounding infrastructure at the Ngauranga interchange (October 2022)	\$191 k
65 Victoria Street, wastewater rising main failure in the CBD with sucker trucks needed to reduce/prevent wastewater discharge into the environment (October 2022)	\$ 98 k
Broderick Road, multiple failures of drinking water main with large area for reinstatement (November 2022)	\$149 k
Cyclone Gabrielle, grid clearing of large amounts of debris following the storm (February 2023)	\$ 74 k
Victoria Street, another wastewater rising main failure in the CBD with sucker trucks needed to reduce/prevent wastewater discharge into the environment (March 2023)	\$ 58 k
Fault 92 Maida Vale Road wastewater discharge over a section with restricted access and difficulty due to trees and power lines (May 2023)	\$ 43 k
250 Middleton Road, Churton Park, wastewater failure exposed by stream and weather events, multiple parties involved in consultation for suitable solution (May 2023)	\$ 47 k
41 Aparima Road, Miramar, burst potable water main pipe collapse creating a void in the road, and damage to nearby stormwater pipe (June 2023)	\$ 63 k
Burst drinking water main Rongotai Road, with complications due to location and other critical infrastructure services (June 2023)	\$ 91 k
<b>Total for events listed</b>	<b>\$958 k</b>

The other main area of overspend in the operational expenditure programme was Treatment Plants. Wellington Water had been forecasting a full year overspend in this area since January, driven by higher than forecast impacts of inflation on treatment input costs; the optimisation process for sludge management, which addressed treatment plant output characteristics that were putting compliance at risk, but resulted in more sludge for disposal; and higher power costs taking effect with the advent of a new power contract.

Actual costs for Moa Point Treatment Plant for the year were \$1.340m over the FY2022-23 allocated budget as follows:

Moa Point Maintenance and Operations	\$ 198 k
Moa Point Sludge	\$ 467 k
Moa Point Power	\$ 675 k
<b>Total</b>	<b>\$1,340 k</b>

The total for unplanned expenses in these two areas exceeded \$2m, and Wellington Water staff worked hard to pull back other costs and re-assign funding from planned expenditure where they could, to minimise the final overspend. However, as this budget is under considerable pressure, and in order to maintain agreed levels of service, the overspend for the year was \$1.263m

### **Recommendation**

It is recommended that Wellington City Council approves and funds the \$1.263m overspend for the financial year 2022-23 three waters operational expenditure.



# Quarterly Performance Report Te Pūrongo ā-Hauwhā

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Quarter 2 - 2023/24

(YTD 01-07-2023 to 31-12-2023)

## Nau mai haere mai | Welcome

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This report provides governance oversight of Wellington City Council's quarterly year-to-date performance against its current Long-term Plan.

The Council's Long-term Plan is published on the Council's website ([www.wcc.govt.nz](http://www.wcc.govt.nz)) with details on our outcome indicators, service delivery key performance indicators, strategic priorities and supporting priority projects.



Quarterly Performance Report | Quarter 2 2023/24

Absolutely Positively  
**Wellington City Council**  
 Me Heke Ki Pōneke

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## Part A: Executive summary

### Overview

Quarter two shows pace of delivery for our large capital programme continued to increase despite a constrained economic operating environment, rising project input costs, inflation and water reform uncertainty. However, there were a number of events in Wellington such as FIFA and the Women’s rugby world WXV tournament, along with Zealandia being awarded the Air New Zealand Supreme Tourism Award which have had a positive impact on the city.

Q2 Non-financial (KPI) performance is ahead of both the previous quarter and the same period last year, and the work programmes for key strategies remain overall on track. Financial performance for the quarter has a surplus of \$6.1m, along with a full year forecast indicating a larger net surplus of \$57m (\$5m better than budget). Treasury performance was fully compliant.

Looking forward, tight economic conditions will continue to pressure venues and key project budgets, scope and / or delivery (for example: the Town Hall project and Wellington Water’s network continuity and upgrade programme).

### Capital work programmes supporting 2021 LTP strategic priorities (full details Part C - section 1)

The total capital works programme supporting the six priorities has increased in size compared to last year. Delivery continues to increase, however the constrained economic environment, rising project inputs and cost inflation continues to pressure capital budgets. We continue our focus on management of the work programmes.

### Priority Investments Portfolio (full details Part C - section 2)

The Priority Investments portfolio is a subset of the larger LTP work programme supporting the strategic priorities.

Overall, the priority investment portfolio health remains GREEN and portfolio risk profile as low. The open issues, which are being managed at project level, have risk profiles ranging as low to high. The Bike network programme, Residual waste – Southern Landfill (SLEPO) and Zero waste programme feature have open risks and issues (see health overview section 2.1 below).

The portfolio budget is showing a forecast full year underspend of \$65.4M. On the whole of project cost basis however, the end of the quarter forecast shows a overspend of \$131.2M mainly deriving from a timing lag in HUP2. In the prevailing constrained financial environment with inflationary conditions, we expect there will be ongoing pressures on project budgets requiring rigorous scope, cost and schedule risk management.

### Non-financial performance (full details Part C - section 3)

#### Quarterly reporting KPI results and Strategy work programmes

- 64% of KPIs were achieved for the quarter, an improvement over Q1 (59%) and the same time last year (61%).

- Two KPIs moved from Amber to Green this quarter, these were WREDA’s direct economic impact of WellingtonNZ activities and interventions and Number of different business engagements, a reporting lag will show further improvement for these in Q3. One KPI moved from Red to Green in the same period, this relates to a reduction in the number of complaints about drinking water quality.
- Of the KPIs with red status this quarter (17), three are at risk of not meeting their target at years end, and 14 will not meet their target. KPIs not expected to reach their target are across Waste, Water, Public health and Building control (details in sections 3.3 and 3.7).
- Of the KPIs with amber status this quarter (3), one will meet its target at years end and two are at risk of not meeting their target. KPIs at risk of not meeting their target sit within Public health and Transport (details in sections 3.7 and 3.8).

	Green	Amber	Red	Reported quarterly	Reported annually
This quarter (Q2)	36 64%	3 5%	17 30%	56	37
Last quarter (Q1)	33 59%	5 9%	18 32%	56	37

	Green	Amber	Red	Reported quarterly	Reported annually
*Q2 last year (FY22/23)	35 61%	5 9%	17 30%	**57	**38

*Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target;  
\*Q2 2022/23 results were reported as Green = 0%-9.99% off target and Red = ≥10% off target  
\*\*Two KPIs relating to City Housing ceased reporting at end of FY22/23*

- 26 KPIs (46%) have maintained green over the reporting intervals Q2 and Q1 23/24FY and Q2 22/23FY.
- The work programmes for the key strategies outlined in this report (e.g. Tūpiki Ora – Māori Strategy, Te Atakura - First to zero etc.) are largely going to plan. Individual strategy challenges are not expected to constrain progress over subsequent quarters. Three report GREEN and two report AMBER status.

#### KPI changes from Q2 in 2022-23

- Governance:** Contact Center KPI moved from amber in Q2 (FY22/23) to green this quarter.
- Economic Development:** One WellingtonNZ KPI moved from green in Q2 (FY22/23) to amber this quarter due to pipelined revenue being delayed, this KPI is expected to meet target at years end.
- Urban Development:** Noise control moved from red in Q2 (FY22/23) to green this quarter and Customers who rate resource consent services moved from amber in Q2 (FY 22/23) to green this quarter.

Quarterly Performance Report | Quarter 2 2023/24

Summary Financial performance (full details Part C - section 4)

- At the end of the second quarter of FY 2023/24, the Council has a surplus of \$6.1m. This is a favourable variance to plan of \$4.7m.
- Treasury performance was fully compliant.

Budget Performance Q2 (\$000s)

	2Year-to-date (\$000s)			Full Year (\$000's)		
	Actual	Budget	Var	Forecast	Budget	Var
	\$000's	\$000's	\$000's	(\$000s)	(\$000s)	\$000's
<b>Revenue</b>	417,049	410,554	6,496	890,272	868,544	21,727
<b>Expenditure</b>	410,952	409,131	1,821	833,032	816,365	16,668
<b>Net Surplus</b>	<b>6,097</b>	<b>1,423</b>	<b>4,675</b>	<b>57,239</b>	<b>52,180</b>	<b>5,059</b>

The key drivers of this result are:

- Revenue being ahead of budget by \$6.5m largely due to additional growth in overall capital values increasing rates revenue \$5.4m; an increase in rates penalties \$1.6m; an increase in other revenue reflecting unbudgeted vested or gifted assets \$10.8m; and an increase in Landfill and Rubbish Revenue of \$5.1m. This is offset by sludge minimisation grant revenue being down \$14.9m as actual capital spend has not occurred as budgeted.
- Expenditure also exceeds budget by \$1.8m, which is made up of several movements, including increased depreciation.

The full year forecast is indicating a larger net surplus of \$57m which is \$5m better than budget. This is driven by:

- Revenue is forecast to be \$22m higher than budget due to vested or gifted assets up \$34m largely due to Let's Get Wellington Moving assets transferring to Council, rates revenue continuing to be higher by \$5m and this is offset by reduction in IFFFAA grant revenue of \$32m.
- Expenditure is forecast to be \$17m higher than budget due to depreciation forecast increasing in line with actuals up \$8m, change in operating agreements of City Housing and Quarry requiring different accounting treatment which has led to expenses increasing \$8m (Revenue has also increased) and a reduction in LGWM costs of \$7.6m.

We are paying particular attention to the following areas:

- Given the challenging economic conditions and high inflation environment we are monitoring the level of late payment and default across debtor profile. This has the potential to impact our cash and liquidity positions.
- We will continue to closely manage our key treasury positions and ensure compliance with council policies.
- We will continue to closely monitor financial performance.

Summary Wellington City Council Key Strategies (full details Appendix 1)

**Tūpiki Ora Māori Strategy**  
**Vision: Kia mauri ora te taiao, kia mauri ora te whānau, kia mauri ora te ao Māori**  
 The vitality of our environment is nourished, the wellbeing of our whānau is fostered, te ao Māori is embraced and celebrated

**Summary status:**  
**Overall health and progress status is reported as GREEN**

The work programme includes 47 projects and initiatives being led by 22 business units. One is completed, 23 are in progress while 17 are not started and two are closed or will not proceed. 2 are paused.

**Te Atakura – First to Zero**  
**Goal: Wellington is a net zero emission city by 2050**

**Summary status**  
**Overall health and progress status is reported as AMBER**

**Reduce City emissions by 57% between 2020 and 2030, and net zero by 2050 - status is AMBER:**

- Annual total gross emissions decreased by 1.4% from FY22 to FY23 driven by a reduction in the emissions intensity of national electricity generation which meant that electricity was 44% less carbon intensive per unit consumed than in FY22.
- City emissions have reduced by a total of 10% between FY20 and FY23 against the target of 57%.  
*Comment: Need to maintain momentum and focus on delivering the projects with greatest potential impact on city emissions and where Council has the greatest influence (the transport system and creating higher urban density).*

**Reduce Council's Scope 1 & 2 emissions by 57% between 2020 and 2030, and overall to net zero by 2050 – status is GREEN**

- A significant reduction in emissions from the landfill that has reduced Council emissions by about a third. The Council Emissions Reduction Plan is currently under development.  
*Comment: Council Emissions Reduction Plan and 2030 target approved November 2023.*

**Create a resilient city and Council – status is AMBER:**

- Adaptation work programme on track, however Councils are still waiting for the Climate Change Adaptation Act.  
*Comment: Waiting Central government clarity on policy, funding and financing required to make further progress*

**Te Atakura – First to Zero (continued)**

**Te Anamata ā-Kai o Tō Tātou Tāone - Our City's Food Future Action Plan**

The overall status is **AMBER**

In Q2 FY23-24, progress was achieved, particularly in Focus areas 1, 3, and 4 of Te Anamata a-kai o Tō Tātou Tāone. Several initiatives were delivered to bolster food knowledge and skills within the community. Notably, the Zero Together workshops aimed to inspire and educate individuals on sustainability topics, complemented by the Seeds to Feeds and Garden to Table contracts, which gave funding to supporting community-led initiatives to empower people, including children, to cultivate, cook, and share their own food. Moreover, collaborative efforts were started to co-create enhancements to Wellington's food system, including supporting food spaces in social housing and ensuring day-to-day coordination for food security among service seekers. These endeavours were aimed at fostering diversity in food harvesting, making, and sharing within neighbourhoods, with impactful campaigns like Local Food Week, Neighbours Aotearoa, and the Seeds to Feeds project serving as catalysts.

**Strategy for Children & Young People**

**Vision:** We support the wellbeing of children and young persons in Wellington through the unique features of our place and qualities of our people. We want our children and young people to feel connected to Pōneke with a strong sense of belonging – helped by visible stories of mana whenua and Māori and celebrating the diverse Pacific and other cultures and communities living here.

**Summary status:**

Overall health and progress status is reported as **AMBER**

The implementation of the Children and Young Persons Action Plan has faced challenges. Covid-19, organisational capacity, resourcing, and staff turnover have been the main issues. Of the 71 actions, 9 actions have been completed, 56 are progressing and 7 have not yet started with a number to be completed by August 2024 with the exception of actions that specifically involve construction or have not yet been assigned. A refresh of the action plan will be completed in 2024. This refresh will re-engage key teams across the organisation and will focus on ensuring that actions captured can be resourced and implemented effectively, and will seek to embed the intentions of the Children and Young Person Strategy through all the work we do at Council.

**Aho Tini – 2030 Arts, Culture & Creative Strategy**

**Vision:**

**What we will see** – The rich cultural traditions and identity of our capital city inspire our exciting and innovative arts, culture and creativity. Wellingtonians can access and participate in arts and culture and explore their creativity. Together, in partnership with the arts, culture and creative sectors and with mana whenua and Māori, creativity, collaboration and innovation are woven through everything we do.

**Summary status:**

Overall health and progress status is reported as **GREEN**

The strategy's focus is on ensuring that projects of scale are delivered with as much quality as possible for both the creative sector and for Wellingtonians. This has led to increasing engagement with the various projects in the Te Ngākau precinct as the centrepiece and "creative spine" of the city. In addition, twin drivers of engagement with mana whenua, and inclusion and diversity strategies as a whole influence the entire annual

programme as well as funding creative sector organisations to enliven and enrich the cityscape and deliver economic and social outcomes.

Summary of status for Q2: of the 17 programmes/activities all but one is green. One activity was Amber, 'Christmas in Quarters', which was impacted by adverse weather which severely reduced attendance

**He Rautaki Ōhanga Oranga Economic Wellbeing Strategy (adopted June 2022)**

**Vision:** Wellington is a dynamic city with a resilient, innovative and low waste, low carbon circular economy that provides opportunities for all and protects and regenerates our environment

**Summary status:**

Overall health and progress status is reported as **GREEN**

Six of the Economic Wellbeing Strategy outcomes continued to be a priority focus for Q2 with work progressing on the City in Transition plan including the Development Response Plan and the Positively Pōneke Campaign that aim for effective infrastructure coordination and city project promotion.

Alongside this, the Courtenay Place precinct plan, the first city precinct plan, was presented to Council in Q2 outlining a vision for revitalisation of this precinct. The plan includes the development of investment prospectuses for commercial partnerships, and a comprehensive action plan for initial project delivery in Q3 2024, focusing on shopfront beautification, creative lighting, cleaning, and public space upgrades. (see Part B feature)

Broader economic challenges include a constrained economic environment impacting conference/meeting cancellations due to the national election. Nevertheless, Wellington is rebounding from Covid-19, highlighted by positive CCO reports on visitation and events.

**LTP community outcomes (full details Part C - section 5)**

Ongoing improvement to the underlying data to reflect the work the city is currently delivering and as well as the draft LTP outcomes continued during the quarter. The full set of community outcomes are available in the 2022/23 Annual Report.

Quarterly Performance Report | Quarter 2 2023/24

## Part B Featured update: Pōneke Promise and Courtenay Place - our priority precinct

The featured update provides a spotlight on a work programme(s) / achievements during the Quarter. This quarter the update profiles the Pōneke Promise and Courtenay Place – our priority precinct.

### Background

The Pōneke Promise, established in 2021, continues to make progress in improving safety in the central city by rolling out a suite of initiatives focused on harm reduction, new community spaces and safety improvements to public space. With its roots in community mobilisation and working in partnership there continues to be a focus on the delivery of safety initiatives with a tangible impact.

The programme is approaching its second year and is evolving, with mid-term evaluation feedback indicating that a shift from a survive to a thrive approach is appropriate. A thriving city centre is a key outcome of the Economic Wellbeing Strategy. This drives the strategic direction of the future Pōneke Promise programme. Safety is also intrinsically linked to vibrancy. By enhancing city vibrancy, the programme contributes to longer-term LTP outcomes.

The next phase of the programme builds on the Pōneke Promise partnership by taking a precinct approach to the central city which offer enhanced opportunities for change across the city.

### Courtenay Place – our priority precinct

The programme continues to work with over 40 stakeholders in the area, across hospitality, retail, level one businesses, and property managers. Stakeholders have been engaged in developing a vision of Courtenay Place as “our premier place to play” – creative, family friendly, a place for high-quality experiences, and social connection. Further developments of the plan in 2024 include a cross-Council approach and building on the Pōneke Promise partnership and working with the private sector.

Courtenay Place has a well-established history as Wellington’s gathering place. It is the home of Te Aro Pā and developed as Pōneke’s leading entertainment and hospitality district. In recent years there has been declining reputation and sense of pride and personal safety issues. Key influences of the decline in reputation have been alcohol related harm, lower levels of funding for infrastructure, public spaces and buildings.

Residents’ perceptions of the central city as lively and attractive have diminished and perceptions of safety in the city after dark are down along with lower levels of business confidence. Recent surveys have indicated that more Wellingtonians say they are not proud of how the city looks and feels.

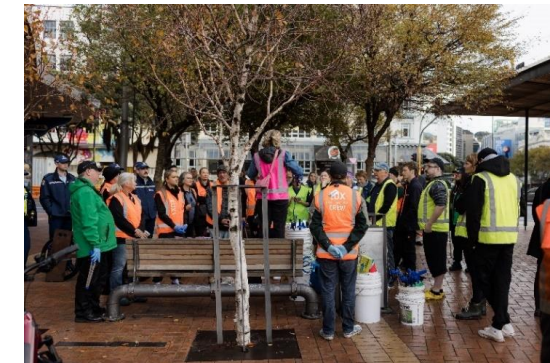
Revitalisation has already started – St James and Tākina are in full operation with events attracting large numbers of visitors to the area and are developing a pipeline of event opportunities.



### Making it happen - the plan

The precinct plan includes partnering with local businesses, working across Council and our Pōneke Promise partners. The aim is to leverage existing funding to make immediate improvements to the area. This includes improved lighting through installation of festoon lighting and building uplighting, targeted cleaning, and Courtenay Place specific events.

Project delivery is underway with the Courtenay Place clean-up bringing together 50 members of the community who picked up over 90kg of rubbish in the area, and gave the area a good scrub - complementing regular street cleaning.



The frontage of Readings has been activated with a large mural to brighten up the empty frontage. This responds to businesses advocating for a refresh to offset the impact the closure of this site has had.



The Safer Venues project is coordinated by RespectEd Aotearoa under our Sexual Violence Prevention Action Plan. A steering group has been established which includes members of the hospitality community. Their focus is creating a network of hospitality venues that actively foster an environment where everyone can enjoy their nights out free from harm and violence.

As well as short term projects, the precinct plan in the longer term intends to capitalise on the precinct’s unique offering. Future policy changes and population growth will support attracting development and investment to bring more people to the precinct and revitalise Courtenay Place.

## Part C: Key Performance Reports

### Section 1. LTP Strategic priorities work programme

This section of the quarterly report provides a year-to-date, high-level overview of the delivery of the Capital work programme supporting the strategic priorities in the current (2021) LTP. This is a sub-set of the total Capital spend.

Where capital spend is less closely connected to a strategic priority (e.g., renewals or changes to BAU services) it is not reported as part of the strategic priority work programme. The performance of this spend is reflected in Section 3.

At the start of the 2021 LTP there were 52 work programmes with 114 projects contributing to the 2021 LTP priorities. A subset of these projects is classified as significant projects, of which there are 17, these are reported by exception in Section 2.

The strategic priorities are:

- Priority 1:** A functioning, resilient, reliable three waters infrastructure
- Priority 2:** Wellington has affordable, resilient and safe housing
- Priority 3:** The city's core transport infrastructure is a safe, resilient, reliable network
- Priority 4:** The city has resilient and fit-for-purpose community, creative and cultural spaces
- Priority 5:** An accelerating zero-carbon and waste-free transition
- Priority 6:** Strong partnerships with mana whenua.



Programmes contributing to the 2021-31 LTP Strategic Priorities																																																													
<p>This section covers capital spend for programmes that contribute to the 5 strategic priorities in the 2021 LTP. While the spend on these programmes is significant, there is also capital spend in other strategy areas which is covered later in the report. The Capital programme in this report does not include recent changes made by the New Government to waters or Let's Get Wellington Moving (LGWM) programmes. Overall, the quarterly report contains performance against the Annual Plan for the year which adjusts (or updates) the LTP with changes, for example in the operating environment and the capital programme delivery. Therefore, the quarterly performance in this section is against updates (or revised) LTP budgets. The 2021 LTP contains an ambitious capital programme and this has increased in size compared to last financial year. The increased size of the capital programme and timing differences between programmes largely account for the capital budget underspend in the early quarters.</p> <p>While delivery continues to increase for the larger capital programme, a constrained economic environment, rising project input costs and inflation continue to pressure budgets, scope or delivery of projects e.g. the Town Hall project with significant cost escalations and Wellington Water's network upgrade programme. Over Quarter 2 the number of programmes/projects starting, continuing or finishing reflects their movement though to the delivery phase.</p>																																																													
2021 10-year LTP Capital budget	Strategic Priority Capital Spend 2021-23	Previous year Quarterly Budget vs Actual trend (all priorities)	Current Year Q2 Budget vs Actual (all priorities, YTD)																																																										
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Priority snapshot: Affordable, resilient & safe housing		Priority snapshot: The core transport infrastructure is safe, resilient & reliable		Priority snapshot: Functioning, resilient, reliable 3 Waters infrastructure	
Q2 current & previous Year (2022-23) capital budget vs actual spend		Q2 current & previous Year (2022-23) capital budget vs actual spend		Q2 current & previous Year (2022-23) capital budget vs actual spend	
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<p><b>Includes significant investments:</b> Includes Housing Upgrade Programme (HUP2), Healthy Homes.</p> <ul style="list-style-type: none"> <li>Of the five projects contributing to this strategic priority all were under budget at the end of the Quarter.</li> <li>Housing renewals/upgrades programme accounted for the most of underspend at the end of the quarter. Procurement timing has been a factor in the underspend, projects are being pulled forward to improve spend by years end.</li> </ul>		<p><b>Includes significant investments:</b> Paneke Pōneke - Bike Network / cycleways programme, transport network development, Cycleways programme, Let's Get Welly Moving, Cycleways Connections and Island Bay programmes.</p> <ul style="list-style-type: none"> <li>Programmes in Q2 included LGWM (early delivery - Golden Mile Thorndon Quay, Hutt Road, city streets etc.), network access and renewals (including footpaths, retaining walls, seawalls), streetlight renewals and upgrades, Bike network planning and transitional pilots.</li> </ul>		<p><b>Includes significant investments:</b> Central city water upgrades, Wastewater pump station and watermain programme, Taranaki Street New Pump Station.</p> <ul style="list-style-type: none"> <li>There has been increased additional capital (and Opex) spend over the 2021 budget in the 3 waters programme to support a focus on network continuity.</li> <li>The Wastewater network renewal programme (pump stations, rising mains, upgrades or renewals), drinking water reservoir programme accounted for most of the Q1 3 waters spend.</li> </ul>	
Priority snapshot: An accelerating zero carbon & waste free transition		Priority snapshot: Resilient, fit-for-purpose, community, creative cultural spaces		Comment	
Q2 current and previous Year (2022-23) capital budget vs actual spend		Q2 current & previous Year (2022-23) capital budget vs actual spend		Strategic priority spend	
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<p><b>Includes significant investments:</b> Residual Waste - Southern Landfill (SLEPO), Sludge Minimisation Facility; the Zero waste programme (sludge).</p> <ul style="list-style-type: none"> <li>Most of the current year spend relates to the Sludge Minimisation Facility as part of the Zero Waste programme.</li> <li>Establishing final stage construction contract (Sludge) which is now signed and preparation for resource consent hearing (SLEPO) in December accounts for the Q2 underspend.</li> </ul>		<p><b>Includes significant Investments:</b> Town Hall; Te Matapihi Central Library, Frank Kitts Park Programme.</p> <ul style="list-style-type: none"> <li>The Town Hall redevelopment project (part of the Te Ngākau programme) and playground upgrades accounted for most of the current year Q1 spend.</li> <li>Other Activity for this priority included suburban centers upgrades, Community centers and halls, playgrounds upgrades or renewals.</li> </ul>			

Quarterly Performance Report | Quarter 2 2023/24

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## Section 2. LTP Priority Investment portfolio

This section of the quarterly report provides a summary of the LTP priority projects (investments) portfolio including year-to-date financials and a health status overview.

Priority investments are a subset of the larger LTP strategic work programme (Section 2) and are considered priority pieces of work.





## 2.1 Portfolio Status of the LTP Priority Investments

### Quarter two summary

There are 5 programmes and 12 projects totalling 17 priority investments

Number of LTP Significant Investments and by IDF / project stage			
Number of Projects	Number of Programmes	Number of Projects/Programmes closing last FY	
12	5	3	
Number by IDF Stage:			
1 - Conceive	2 - Develop	3 - Plan	4 - Deliver
1	3	5	8

#### Movements of projects since Q1 23/24:

- **Town Hall Redevelopment project:** cost increase confirmed in early October was flagged to councilors for review. Budget has been increased to \$329.1M, and the project has been re-baselined. Now **GREEN** status.
- **Te Ngakau Programme:** reset exercise completed and a new governance board has been set up. The CAB demolition project has been initiated. Now **GREEN** status.
- **Bike Network Programme:** project-level risks to delivery remain due to contractor panel co-ordination and availability. Remains **AMBER** status.
- **Frank Kitts Park Playground:** on track for completion late February 2024. Remains **GREEN** status.
- **Streetlight Remediation:** expected to conclude early. Remains **GREEN** status.
- **Sludge Minimisation Facility:** final stage construction contract signed. Remains **GREEN** status.
- **Residual Waste – Southern Landfill (SLEPO):** resource consent hearing held in December with decision expected mid- March. Design process continues, to keep project on schedule. Remains **AMBER** status until consent is granted.
- **Housing Upgrade Programme 2 (HUP2):** deed of Grant quantity requirements confirmed with MHUD. Revised cost for 'do minimum' forecast now factored into LTP. Granville demolition project initiated. Remains **GREEN** status.
- **Zero Waste** overall status remains at **AMBER** until the resource consent is secured for SLEPO.

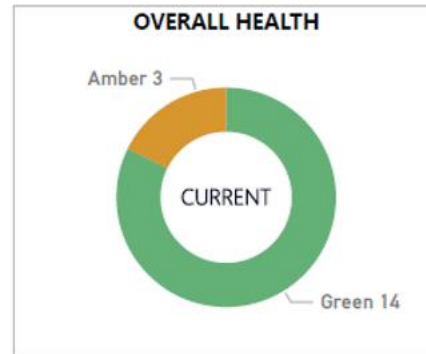
#### Summary of Projects/Programmes

Frank Kitts Park Playground	●
Street Light Remediation	●
<b>Bike Network Programme (BNP)</b>	
Bike Network Programme (BNP)	▲
Botanic Garden to City Transitional Cycleway	●
Evans Bay Parade Cycleway Stage 1 - Part 3	●
Evans Bay Parade Cycleway Stage 2	●
Newtown to City Transitional Cycleway	●
The Parade IB Safety Improvement & Town Centre Upgrade	●
<b>Frank Kitts Park Programme</b>	
Frank Kitts Park Programme	●
<b>Housing Upgrade Programme 2 (HUP2)</b>	
Housing Upgrade Programme 2 (HUP2)	●
<b>Te Ngakau Programme</b>	
Te Matapihi ki te Ao Nui	●
Te Ngakau Programme	●
Town Hall Redevelopment Project	●
<b>Transport &amp; Infrastructure Capital Works Programme</b>	
Chaytor Street, Karori - Safety Improvement	●
<b>Zero Waste Programme (ZWP)</b>	
Residual Waste - Southern Landfill - SLEPO	▲
Sludge Minimisation Facility	●
Zero Waste Programme (ZWP)	▲

2.2 Priority Investments portfolio health

The portfolio health remains **GREEN** and portfolio risk profile as very low to low. Open issues and their possible impact are being closely managed at a project level. The Bike network programme, Residual waste – Southern Landfill (SLEPO) and Zero waste programme feature in the open Risks and Issues (see project portfolio below).

Overall Health:



Health summary by project/programme:

Programme	Overall	Schedule	Scope	Benefits	Budget	Dependencies	Issues	Risks	Resources	Stakeholders	Change Control	Health & Safety
Frank Kitts Park Playground	●	●	●	●	●	●	●	●	●	●	●	●
Street Light Remediation	●	●	●	●	●	●	●	▲	●	●	●	●
<b>Bike Network Programme (BNP)</b>												
Bike Network Programme (BNP)	▲	●	▲	▲	▲	▲	▲	▲	●	▲	●	●
Botanic Garden to City Transitional Cycleway	●	●	●	●	●	●	●	▲	●	●	●	●
Evans Bay Parade Cycleway Stage 1 - Part 3	●	●	●	●	●	●	●	●	●	●	●	●
Evans Bay Parade Cycleway Stage 2	●	●	●	●	●	●	●	●	●	●	●	●
Newtown to City Transitional Cycleway	●	●	●	●	●	●	●	●	●	▲	●	●
The Parade 1B Safety Improvement & Town Centre Upgrade	●	●	●	●	▲	●	▲	▲	●	●	●	●
<b>Frank Kitts Park Programme</b>												
Frank Kitts Park Programme	●	●	●	●	●	▲	●	▲	▲	●	●	●
<b>Housing Upgrade Programme 2 (HUP2)</b>												
Housing Upgrade Programme 2 (HUP2)	●	▲	●	●	▲	●	●	▲	●	●	●	●
<b>Te Ngakau Programme</b>												
Te Matapihi ki te Ao Nui	●	●	●	●	●	●	●	●	●	●	●	●
Te Ngakau Programme	●	▲	●	●	●	●	▲	●	●	▲	●	●
Town Hall Redevelopment Project	●	●	●	▲	●	▲	▲	●	▲	▲	●	●
<b>Transport &amp; Infrastructure Capital Works Programme</b>												
Chaytor Street, Karori - Safety Improvement	●	●	●	●	●	●	●	●	●	●	●	●
<b>Zero Waste Programme (ZWP)</b>												
Residual Waste - Southern Landfill - SLEPO	▲	●	●	●	▲	●	●	▲	●	●	●	●
Sludge Minimisation Facility	●	▲	●	●	●	●	▲	▲	●	●	●	●
Zero Waste Programme (ZWP)	▲	●	●	●	▲	●	●	●	●	●	●	●

Legend		
<b>Green status:</b> Successful delivery of the project against project parameters appears on track, with no outstanding issues or risks that may threaten delivery.	<b>Amber status:</b> Successful delivery of the project against project parameters appears feasible but management attention required for significant issues.	<b>Red status:</b> Successful delivery of the project against project parameters appears unachievable. Project may need re-scoping and/or overall viability reassessed.
<b>Overall status:</b> All key health indicators are Green, or two or less Amber and no Red indicators.	<b>Overall status:</b> Three or more health indicators are Amber, and/or one indicator is Red, or due to severity of other criteria, Amber status directed by SRO	<b>Overall status:</b> two or more health indicators are Red or due to severity of other criteria, Red status directed by SRO.

Project health details for Priority Investments portfolio

Programme	Start	Finish	Prev Q3	Prev Q4	Overall	Schedule	Scope	Budget	OVERALL COMMENTARY
Frank Kitts Park Playground	1/08/2023	4/06/2024	▲	▲	●	●	●	●	GREEN: Project now in construction, on schedule for final completion end Feb 2024. Blessing February 29 2024. Minor issues being dealt with design team and contractors. Close and Evaluate process up to June 2024.
Street Light Remediation	11/04/2023	28/11/2024	▲	▲	●	●	●	●	GREEN. Progressing on budget and ahead of schedule.
<b>Bike Network Programme (BNP)</b>									
Botanic Garden to City Transitional Cycleway	16/02/2023	1/03/2024	●	●	●	●	●	●	GREEN Project in Post Installation engagement phase. Preparing adaptation designs for tender to contractor panel. The treatment of the Bowen/Tinakori bus stop has been escalated for proposal to the programme to decide the treatment in this location in response to media and other project dependencies in the area.
Evans Bay Parade Cycleway Stage 2	8/03/2018	2/10/2026	●	●	●	●	●	●	The 100% detailed design has been completed, and we will receive the final design pack next week.
The Parade IS Safety Improvement & Town Centre Upgrade	20/01/2023	30/09/2024	●	●	●	●	●	▲	GREEN - General- Project finances are reflective of both the Town Centre Upgrades and Parade Safety Improvements. Construction date is January 23 2024. Need final cost for project from contract for works (including schedule). Current conversations indicate a significantly lower cost. Awaiting confirmation of clear reputational messages from Mataaho Aronui with regards to Takai Here responsibilities.
Bike Network Programme (BNP)	25/10/2022	16/08/2039	●	▲	▲	●	▲	▲	AMBER due to 7 out of 11 of health indicators being amber - improving from the previous month report. The programme is on track to deliver 34.5 km (32.4 km Transitional and 2.1km Transformational) by end FY 24/25, since start of programme. An additional 1.7km Transformational cycleway (Evans Bay s2) in on track to be delivered by end FY 25/26. Future delivery dependent on LTP 24-34 decision.
Evans Bay Parade Cycleway Stage 1 - Part 3	28/11/2022	29/10/2024	▲	▲	●	●	●	●	Preparing a (TR)for the upcoming round regarding the installation of the Weka Bay zebra crossing. -Jacobs and CHP have completed the design changes for the seawalls at Balaena Bay and Little Karaka Bay and have submitted them for Building Consent (BC).
Newtown to City Transitional Cycleway	21/11/2022	25/03/2024	▲	▲	●	●	●	●	Post-installation engagement phase. FOLKL considering feedback survey results FENZ u-turn work has been completed and successfully trialed

Programme	Start	Finish	Prev Q3	Prev Q4	Overall	Schedule	Scope	Budget	OVERALL COMMENTARY
<b>Frank Kitts Park Programme</b>									
Frank Kitts Park Programme	22/02/2023	1/08/2024	●	●	●	●	●	●	Steady progress on Resource Consent application. Funding post resource consent lodgment is \$6.5m for Chinese Garden and subject to LTP process.
<b>Housing Upgrade Programme 2 (HUP2)</b>									
Housing Upgrade Programme 2 (HUP2)	9/11/2022	22/03/2033	▲	●	●	▲	●	▲	Deed of Grant quantity requirements confirmed with MHUD. Formal amendments to the Deed to reflect this to occur as part of the acceptance process of the work programme. Te Pu units are no longer an issue and is now covered in the closed risks. Revised cost for 'do minimum' forecast now factored into LTP. Commissioning of remaining seismic assessments continues. Site Prioritisation and assessment process has commenced. Granville Demolition external PM engaged, marking the start of the project.
<b>Te Ngakau Programme</b>									
Te Matapihi ki te Ao Nui	7/02/2023	24/06/2026	●	●	●	●	●	●	Work in progress pre Xmas, includes 12 plinths out of 24 complete, waterproofing is at 90% completion. Ground floor concrete works and reinforcing has progressed with Stage 4A completed, demo to stage 5A is close to completion. Shoreloads are in place with reo works in progress to stage. Redundant services in the Victoria street rattle zone have been removed and excavation has been completed from gridlines 6 to 11. Piling of temporary retaining wall shall be completed with lagging install to follow. CBF frames have progressed with frame 2 lvl 1 frame 3 level 1 capitals are complete and are awaiting temp works plan for propping. Plant room steel is on site and install is in progress. North west mezzanine has been poured, structural steel install for North east mezzanine at 50%. Civic room comflor is 90% installed with phase 1 structural steel complete.
Te Ngakau Programme	27/01/2023	27/01/2033	●	▲	●	▲	●	●	Green as programme is reset. SRO has set up the Governance Board, Te Ngakau Programme Board. The Board has commenced on 29th of November. All assessments of assets, scope, benefits definition and assurance processes are being set up. \$8.4M opex form FY 24/25 transferred to CAB demolition project. LTP will confirm the budget for the programme.
Town Hall Redevelopment Project	26/01/2023	16/02/2028	●	▲	●	●	●	●	Project progress is on track with the Council mandate from 25 October 2023. Architectural/Heritage: - Heritage scope definition and pricing complete (exl auditorium). Detailing workshops progressing and due to complete mid 24.- Waterproofing membrane well progressed.- NZSO procurement underway. Services:- East Hall undercroft first fix well progressed. - E1 lift procurement in place. Structure: - AUD screw piling complete and 80% of site concrete placed in the basement. - West Hall floor slabs all completed. - Southern plant room steel structure well progressed.Functional Design:- New project scope early design complete and remaining design first programme completed.RCP Report Implementation:- Progressing recommendations in particular dealing with outstanding variation agreement.

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Project health details for Priority Investments portfolio (continued)

Programme	Start	Finish	Prev Q3	Prev Q4	Overall	Schedule	Scope	Budget	OVERALL COMMENTARY
<b>Zero Waste Programme (ZWP)</b>									
Residual Waste - Southern Landfill - SLEPO	14/11/2022	30/06/2026	●	●	▲	●	●	▲	Resource Consent: The SLEPO resource consent hearing took place 12th – 14th December. Evidence was presented by experts across a range of disciplines (ecologists, air quality, fresh water, engineers). This was a public hearing with submissions from the community also presented. The Commissioners will now summarise all the findings and make a decision on if consent should be granted including appropriate resource consent conditions. The status will remain at AMBER until the consent is secured for SLEPO. Council is seeking a 35 year consent. While the resource consent decision is not expected until Mid- March, Detailed Design will need to commence in February to ensure delivery of SLEPO by June 2026. Southern landfill Tunnel: An investigation and detailed survey of the Southern Landfill Tunnel condition was undertaken on 4th – 21st December. Findings from the investigation and survey will inform the scope of works required to address tunnel strengthening and seismic resilience requirements. The tunnel takes water from the upper valley beneath Stages 1-3 landfills and will need to exist into perpetuity. The opportunity was taken to also undertake repairs and maintenance works, specifically repairing cracks and leaks in the tunnel lining.
Sludge Minimisation Facility	13/02/2023	2/07/2026	●	●	●	▲	●	●	Project remains at GREEN status. Site Progress: construction activity progressing well with main process building and digester foundations underway. Construction Contract: Stage 3 contract (final stage) signed. Design Progress: IFC packages continue to be delivered in line with construction programme. Consents: building consent application for the main process building has been submitted. Programme: Stage 3 Construction Contract Programme agreed. Design programme under review. Process of transfer of title of SMF site to WCC has commenced.
Zero Waste Programme (ZWP)	14/11/2022	30/09/2027	▲	▲	▲	●	●	▲	The Zero Waste Programme (ZWP) remains on track. The overall status will remain at AMBER until the resource consent is secured for SLEPO, and the funding required to address the seismic resilience risk of the tunnel that runs under the closed landfill (Stages 1 & 2) and the current landfill (Stage 3) is approved. December Update Southern Landfill Extension (Piggyback Option) (SLEPO): The SLEPO Resource Consent public hearing was held 12th – 14th Dec. The decision on this is expected by mid-March 2024. Southern Landfill tunnel investigation, survey and maintenance works was completed (4th to 21st December) Detailed Design will commence early February by Tonkin + Taylor. Adoption of the Draft regional WMMP 2023-29 is on track with four of nine councils adopted. Wellington City Council to adopt on 1st February 2024. The Resource Recovery Network Expansion Detailed Business Case (24th April 2024) and Collections and Processing Commercial Case (9th May 2024) remain on track.

### 2.3 Portfolio Financial performance of the LTP Priority Investments

The portfolio budget is showing a forecast full year underspend of \$65.4M. On the Whole of Project Cost basis however the end of the quarter forecast shows an overspend of \$131.2M mainly derived from a timing lag in HUP2. In the prevailing constrained financial environment with inflationary conditions, we expect there will be ongoing pressures on project budgets requiring rigorous scope, cost and schedule risk management.

#### Financial year cost:

Programme/Project Name	FY Total Actual	FY Total Budget	FY Total Forecast	Variance
Bike Network Programme (BNP)	\$7,055,600	\$34,110,323	\$31,114,284	(\$2,996,039)
Botanic Garden to City Transitional Cycleway	\$119,319	\$300,000	\$300,000	\$0
Chaytor Street, Karori - Safety Improvement	\$23,076	\$1,411,599	\$1,411,599	\$0
Evans Bay Parade Cycleway Stage 1 - Part 3	\$982,514	\$5,000,000	\$4,572,514	(\$427,486)
Evans Bay Parade Cycleway Stage 2	\$400,946	\$2,000,000	\$1,673,106	(\$326,894)
Frank Kitts Park Playground	\$1,750,651	\$3,500,000	\$3,517,851	\$17,851
Frank Kitts Park Programme	\$24,000	\$400,000	\$400,000	\$0
Housing Upgrade Programme 2 (HUP2)	\$254,115	\$59,500,000	\$4,470,000	(\$55,030,000)
Newtown to City Transitional Cycleway	\$520,857	\$883,317	\$883,317	\$0
Residual Waste - Southern Landfill - SLEPO	\$538,413	\$7,396,985	\$1,833,414	(\$5,563,571)
Sludge Minimisation Facility	\$40,974,906	\$126,243,000	\$126,243,000	\$0
Street Light Remediation	\$4,653,138	\$6,200,000	\$5,000,000	(\$1,200,000)
Te Matapihi ki te Ao Nui	\$32,300,000	\$75,256,089	\$75,256,089	\$0
Te Ngakau Programme	\$571,733	\$1,000,000	\$1,000,000	\$0
The Parade IB Safety Improvement & Town Centre Upgrade	\$62,349	\$4,373,050	\$4,400,765	\$27,715
Town Hall Redevelopment Project	\$24,651,207	\$50,240,552	\$50,240,552	\$0
<b>Total</b>	<b>\$114,882,825</b>	<b>\$377,814,915</b>	<b>\$312,316,491</b>	<b>(\$65,498,424)</b>

#### Whole of Project Cost (WOPC):

Programme/Project Name	WOPC Total Actual	WOPC Total Budget	WOPC Total Forecast	Variance
Bike Network Programme (BNP)	\$32,103,948	\$220,607,472	\$227,576,335	\$6,968,863
Botanic Garden to City Transitional Cycleway	\$2,691,286	\$3,171,914	\$3,171,914	\$0
Chaytor Street, Karori - Safety Improvement	\$173,496	\$1,561,599	\$1,561,599	\$0
Evans Bay Parade Cycleway Stage 1 - Part 3	\$5,889,726	\$14,998,524	\$14,571,038	(\$427,486)
Evans Bay Parade Cycleway Stage 2	\$1,766,684	\$12,430,284	\$12,103,391	(\$326,894)
Frank Kitts Park Playground	\$5,285,959	\$7,035,308	\$7,053,159	\$17,851
Frank Kitts Park Programme	\$558,016	\$7,434,016	\$934,016	(\$6,500,000)
Housing Upgrade Programme 2 (HUP2)	\$3,614,881	\$276,000,000	\$401,470,000	\$125,470,000
Newtown to City Transitional Cycleway	\$4,221,003	\$5,684,615	\$5,684,615	\$0
Residual Waste - Southern Landfill - SLEPO	\$4,878,413	\$35,916,670	\$43,309,190	\$7,392,520
Sludge Minimisation Facility	\$68,808,191	\$396,400,000	\$396,400,000	\$0
Street Light Remediation	\$4,653,138	\$6,200,000	\$5,000,000	(\$1,200,000)
Te Matapihi ki te Ao Nui	\$76,353,734	\$216,815,868	\$216,815,868	(\$0)
Te Ngakau Programme	\$571,733	\$7,139,650	\$7,139,650	\$0
The Parade IB Safety Improvement & Town Centre Upgrade	\$2,373,831	\$8,704,537	\$8,568,370	(\$136,167)
Town Hall Redevelopment Project	\$146,312,938	\$329,100,001	\$329,100,001	\$0
<b>Total</b>	<b>\$360,256,978</b>	<b>\$1,549,200,458</b>	<b>\$1,680,459,146</b>	<b>\$131,258,687</b>

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## Section 3. Strategic Activity Area – non-financial and financial performance

### 3.1 Summary overview – non-financial and financial performance

#### KPI quarterly results by strategic activity area

Activity area	This period (Q2)			Last period (Q1)			This period last year (Q2 FY22/23)		
	Green	Amber	Red	Green	Amber	Red	Green	Amber	Red
Governance	3	-	-	3	-	-	2	1	-
Environment	17	9	9	16	1	9	16	1	9
Economic development	5	1	-	3	3	-	6	-	-
Cultural wellbeing	1	-	-	1	-	-	1	-	-
Social & Recreation	4	1	4	4	1	4	6	1	3
Urban development	5	-	3	5	-	3	3	1	4
Transport	1	1	1	1	-	2	1	1	1
<b>Total</b>	<b>36</b>	<b>3</b>	<b>17</b>	<b>33</b>	<b>5</b>	<b>18</b>	<b>35</b>	<b>5</b>	<b>17</b>
	<b>64%</b>	<b>5%</b>	<b>30%</b>	<b>59%</b>	<b>9%</b>	<b>32%</b>	<b>61%</b>	<b>9%</b>	<b>30%</b>

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target;

**Note:** Two City Housing KPIs relating to tenant occupancy rates and tenant satisfaction were reported for the last time in FY22-23. These relate to the establishment of the Community Housing Provider – Te Toi Mahana Community Housing during the 2022–23 financial year.

#### Summary of Non-Financial performance:

In Q2 64% (36) of the 56 KPIs reporting quarterly have met their target. This is a 5-percentage point increase from Q1 (59%) and an improvement on the same period last year (61%). A summary of KPI movement is shown below:

- **Governance:** 3 KPIs (100%) have maintained green over the reporting intervals Q2 and Q1 23/24FY. Contact Center KPI moved from amber in Q2 (FY22/23) to green this quarter.
- **Environment:** 12 KPIs (46%) have maintained green over the reporting intervals Q2 and Q1 23/24FY and Q2 (FY22/23).
- **Economic Development:** 3 KPIs (50%) have maintained green over the reporting intervals Q2 and Q1 23/24FY with a further 2 moving from Amber to Green this quarter. 1 remains Amber due to pipelined revenue being delayed, this KPI is expected to meet target at years end.
- **Cultural Wellbeing:** 1 KPIs (100%) have maintained green over the reporting intervals Q2 and Q1 23/24FY and Q2 (FY22/23).

- **Social & Recreation:** 4 KPIs (44%) have maintained green over the reporting intervals Q2 and Q1 23/24FY. and Q2 (FY22/23). 1 KPI no longer reports, the dog control KPI moved from green in Q2 (FY22/23) to amber this quarter due to pressures over the holiday session and the graffiti KPI moved from amber in Q2 (FY22/23) to red this quarter because of difficulties in measuring proactive graffiti removal.
- **Urban Development:** 5 KPIs (62%) have maintained green over the reporting intervals Q2 and Q1 23/24FY. The noise control KPI moved from red in Q2 (FY22/23) to green this quarter, and the customers who rate the resource consent service moved from amber in Q2 (FY22/23) to green this quarter.
- **Transport:** The customer service requests relating to roads KPI improved from red in Q1 23/24FY to amber this quarter. 2 remaining KPIs maintained their status relative to Q1 23/24FY as red and green respectively. Results this quarter mirror those in Q2 (FY22/23) with 1 KPI green, 1 KPI amber, and 1 KPI red.

Strategy areas continue to face resource challenges (details follow in each strategy area), with both Te Atakura and the Strategy for Children and Young People reporting an amber status.

A range of public events were delivered during Q2:

- World of Wearable Art, Wellington on a Plate, Beervana and the Wellington Jazz Festival.
- A new event On a Good Day festival was held across three days at Anderson Park
- Christmas in Quarters was impacted by adverse weather which severely reduced attendance
- Tākina injected \$24million into the local economy in its first six months of operation: with a busy programme of conferences and business events driving strong visitation into the city.

#### Summary of financial performance:

- **Governance:** Favourable variance due to a continuation of the lower-than-expected remuneration costs arising from vacancies, and professional costs due to the timing of the work programmes in Māori Initiatives and Climate Change Response.
- **Environment:** Favourable Waste Operations revenue – due to higher than anticipated contaminated soil received at Landfill, also PSR unbudgeted Carbon Credits revenue. Favourable expenditure due to lower than budgeted Interest allocation for Three Waters activities, forecasted to come in line with budget by year end.
- **Economic Development:** Revenue from events in the city’s entertainment venues is down on budget due to a challenging trading environment. Favourable expenditure to budget follows on from lower revenue.
- **Cultural Wellbeing:** Unfavourable variance year to date – both the Cultural Grants Pool and City Events programmes reflect timing differences to budget as events were held a bit earlier than reflected in the budget figures. This should equalize in the 2nd half of the year.
- **Social and Recreation:** Lease Revenue is favourable to budget due to the delay of the Te Toi Mahana transition expenses are unfavourable due to much higher than planned inflationary increases in Utility costs mainly impacting pool operations, Sports fields and Libraries.
- **Transport:** Favourable LGWM vested assets, offsetting unfavourable NZTA Rooding subsidy YTD, with Vested Assets forecasted to increase substantially by year end. Parking revenues remains unfavourable to budget as utilisation still not recovering to pre Covid 19 levels which forecast to continue. Insurance, depreciation is unfavourable to budget mainly due to increases in asset values after prior year revaluation. These unfavourable variances are forecast to lessen against budget due to phasing for full year.
- **Urban Development:** Unfavourable variance due to lower than planned revenues in both building and resource consents. Application volumes are down on last year by 26% and 18% respectively. Additionally, higher expenses associated with Shelly Bay, including the fire and subsequent cleanup are contributing to the current and forecast positions.

### 3.2 Mana Whakahaere | Governance

Mana Whakahaere is responsible for seven LTP KPIs. Of these KPIs three report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This period (Q2)	3	-	-	3	4
Last period (Q1)	3	-	-	3	4
This period last year (Q2 FY22/23)	2	1	-	3	4

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

#### Key highlights and challenges

- The nomination period for a by-election for the Pukehinau / Lambton General Ward finished on 22 December following the resignation of Tamatha Paul after her election to Parliament. The voting period for the by-election will occur in Q3.
- The Customer Services team recorded the highest ever result for customer contact rate in Q2 (94.2%). This continues the trend of performance improvement over the last 18 months
- During the quarter Committee agreed a prioritised three-year programme of work for policy and strategy review and development. In addition to that, significant progress was made on the development of the 2024 Long term Plan. This included further work on the balance sheet review, hearing submissions on the Rating Policy review, adopting a report back from the Citizen’s Assembly on the 2024 Long term Plan, and making in principle decisions on the capital programme.
- Oral submissions were heard on Animal Bylaw and Domestic Animal Policy, updates were made to our Freedom Camping rules, and after comprehensive community consultation and analysis, Te Awa Mapara – the Community Facilities Plan was adopted. This plan will guide investment decisions for community facilities into the future.
- Mataaho Aronui have completed a review of Council’s key annual surveys as important data sources for measuring the impact of Tūpiki Ora. A reporting dashboard has been established to report progress of both the Tūpiki Ora strategy and the priorities of our Tākai Here partners. However a key risk relating to an overall limited data collection across Council has been identified therefore Mataaho Aronui are planning to request additional data and information

There were no LTP KPI exceptions for Q2.

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Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Governance	Revenue	(634)	(448)	(448)	186	(1,126)	(896)	230	Favourable due to grants in Climate Change Response being ahead of plan. These are also expected to exceed the full year budget.
	Expenditure	14,250	16,424	16,615	2,174	32,572	32,848	276	Favourable YTD, due to lower-than-expected remuneration costs arising from vacancies (\$0.7m) and professional costs (\$1.5m). This is impacting on the timing of the work programmes in Māori Initiatives and Climate Change Response however expenditure is expected to accelerate through the remainder of the year.
	Net Surplus/(Deficit)	13,616	15,976	16,167	2,361	31,446	31,952	506	-

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Governance	Revenue	0	0	0	0	0	0	0	-
	Expenditure	271	889	808	617	2,156	1,803	(353)	The EV Fleet transformation programme is behind plan (passenger vehicle replacement is almost complete, now pausing to plan for utes and vans). The forecast over expenditure reflects that the EV charger installation programme may be ahead of plan by year end. Forecast will be updated for next quarterly report
	Net Surplus/(Deficit)	271	889	808	617	2,156	1,803	(353)	-



### 3.3 Taiao | Environment

Taiao is responsible for 36 LTP KPIs. Of these KPIs 26 report quarterly with the balance reporting annually. Taiao has responsibility for Wellington Water Ltd (WWL), performance for this suite of KPIs is shown on the next page.

Non-financial KPI results				Reported quarterly	Reported annually
This period (Q2)	17		9	26	10
Last period (Q1)	16	1	9	26	10
This period last year (Q2 FY22/23)	16	1	9	26	10

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

#### Key highlights and challenges

##### Highlights

- Te Atakura update was presented to Council and will inform a review of Te Atakura planned for 2024. The Wellington City Greenhouse Gas Inventory was completed. The Climate Change team have been partnering with Mataaho Aronui to develop the Māori partnerships and engagement roadmap, while working to maintain existing relationships with mana whenua.
- Our Zero Together initiative ran two cohorts which has resulted in an increase from four to 11 community facilitators who can run future courses. Our Community Climate Action Planning workstream has started the first Plan with Ngaio Crofton Downs, and we are actively engaging with a further six communities and 12 community organisations. The Climate and Sustainability Fund allocated \$196,427 of \$250,000 in the first round of funding bids. The implementation of the first 2 stages of the Climate Adaptation Community Engagement Roadmap is underway – with a significant focus on public education. In Q2 we started developing a suite of public education materials to support Wellingtonians to better understand climate change risks and adaptation options. The first prototype was developed and tested, and the project won an award in Seoul for city innovation in October. We launched the ‘Get There Together’ campaign (a road safety campaign focusing on spaces where there are shared modes of transport) which will run for three months over summer. A number of Welly on Wheels rides were delivered, providing less confident or experienced cyclists with instructional guided rides on using new cycle routes.
- Work continues to develop our partnership with the Sustainability Trust at their Forrester’s Lane site as the first ‘spoke’ pilot, a 3-year partnership 2023 – 2026. Officers are working closely with the Sustainability Trust team to develop the spoke model for their site and finalise the partnership agreement to get this underway.
- The Southern Landfill Extension Piggyback Option (SLEPO) project remains on track. The Resource Consent hearing was held 12th – 14th December and a decision is expected in March 2024. Work on the detailed design phase has started with a view to the construction phase commencing in late 2024.
- In September the Environment and Infrastructure Committee agreed that kerbside collections, removing organics and establishing a RRN will be consulted on for the 2024 LTP. Council is progressing work to develop commercial cases for Collections and Organics Processing to be presented at the Environment and Infrastructure committee for decisions in May 2024. Council commenced Organics Processing procurement in November 2023, a joint procurement with PCC and HCC with a completed RFI stage expected in February 2024.

##### Challenges

- Carbon accounting is new for local government and as one of the first to complete the full assurance process for our inventory, the process is taking longer than we expect it to in the future. There remains an ongoing challenge in our ability to engage with mana whenua due to their capacity.

##### Emergency Management

- The Emergency Management (EM) team have been working on the Water Shortage Response as a key priority. The plan has been put together from multiple teams across council and will require significant input from volunteers from within the organisation should the plan need to be activated. The plan utilises WCCs existing CIR equipment, EM water tanks and the current water network (fire hydrants) to deliver water to areas where the water pressure may be degraded. Training is ongoing and there are currently approx. 50 people trained within Wellington to establish and manage water distribution points.

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- The new Emergency Operation Centre (EOC) structure has been formalised with function leads which has resulted in an enhanced planning and response function for WCC. The function leads contribute 2 hours FTE (minimum) per week to EM activities which has been hugely beneficial in developing the water response plan. This pulls in Subject Matter Experts from across the organisation into the EM and the system is working really well. The management of all EOC staff has been delegated to the function leads which has freed up emergency management operations staff to carry out their BAU duties at a greater capacity. The EM Collective has conducted its first meeting which will occur on a quarterly basis. This group is attended by FENZ, NZPOL and WFA and provides a platform to directly plug into the various projects that are being planned and managed throughout council. The EM community now can be updated, briefed and can contribute to these projects to ensure EM considerations are put forward to include in the designs.

LTP KPI exception report - including Wellington Water (WW)

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment	
			This period (Q2)	Last period (Q1)	This period last year (Q2)		
Environment	Volume of waste diverted from landfill (tonnes)	10,000	6764	3,653	8308	We are expanding the diversion capture to include CBD glass tonnages and tip shop tonnages. We expect this KPI to remain amber or red until we are satisfied with the underlying methodology for capturing those weights. This KPI is at risk of not meeting its target at year-end.	
Wellington Water	Environment	Compliance with the resource consents for discharge from the sewerage system -total number	0	2	0	2	A "to-do" abatement notice was issued during Q2 requiring WWL to complete the first phase of the improvements to the inlet pumpstation. The abatement notice has been complied with and in discussions with the Regulator (GWRC) they are comfortable with the situation. An infringement notice was received by WCC for non-compliant wastewater quality, with two each for WWL and Veolia. This KPI will not meet its target at years-end.
	Environment	Median response time for attendance for water network urgent call outs (minutes)	60	227	135	58	Response times for urgent call-outs have deteriorated due to the volume and complexity of the faults. Note that this is a reversal of the trend WWL sees in other cities, where urgent response and resolution times have continued to improve over the past three years. This KPI will not meet its target at years-end.
	Environment	Median response time for resolution for water network urgent call outs (hours)	4	19.3	11.8	1.7	Resolution times for urgent call-outs have deteriorated due to the volume and complexity of the faults. Note that this is a reversal of the trend WWL sees in other cities, where urgent response and resolution times have continued to improve over the past three years. This KPI will not meet its target at years-end.
	Environment	Median response time for attendance for water network non-urgent call outs (hours)	36	948.4	862	82.9	Despite a minor decrease in Q2, WWL expects response times will generally continue to deteriorate until the city is through the peak summer period, and until the backlog of work starts to reduce. This KPI will not meet its target at years-end.
	Environment	Median response time for resolution for water network non-urgent call outs (days)	5	56.1	59	3.7	Despite a minor decrease in Q2, WWL expects resolution times will generally continue to deteriorate until the city is through the peak summer period, and until the backlog of work starts to reduce. This KPI will not meet its target at years-end.
	Environment	Average drinking water consumption per resident/day	365	414	412	401	Per capita consumption across all councils in the metro area has continued to increase primarily due to leakage, but also due to high residential use relative to other cities in New Zealand. We continue to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels, together with investment in universal smart metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk. This KPI will not meet its target at years-end.
	Environment	Dry weather wastewater overflows, expressed per 1000 connections	0	1.2	0.68	2.8	Wellington City Council sets a target of zero dry-weather wastewater overflows. The result in Q2 has stayed stable at 0.6 overflows per 1000 connections. This follows a downward trend, and a repeat of the lowest quarterly result in more than four years from Q1. The figure reported is year to date. This KPI will not meet its target at years-end.

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment
			This period (Q2)	Last period (Q1)	This period last year (Q2)	
Environment	Median response time for wastewater overflows (attendance time minutes)	60	95	90	148	WWL continues to exceed targets in attendance and resolution times due to an increase in work volume and funding and resourcing constraints. It also takes time to categorise the issue raised by the customer, often for example logged as a leak, but once on site is deemed a wastewater related issue. WWL are working through this with individual councils. This KPI will not meet its target at years-end.

**Wellington Water - KPI performance Q2**

Wellington Water Limited (WWL) is responsible for 25 LTP KPIs. Of these KPIs 23 report quarterly with the balance reporting annually.

The WWL quarterly two report is contained in Appendix 2.

Non-financial KPI results – Wellington Water				Reported quarterly	Reported annually
This period (Q2)	15		8	23	2
Last period (Q1)	14	1	8	23	25
This period last year (Q2 FY22/23)	14	1	8	23	2

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

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Environment Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Environment	Revenue	(25,606)	(18,101)	(17,153)	7,505	(47,085)	(36,203)	10,882	Favourable Waste Operations - fees budget due to higher than anticipated contaminated soil received at Landfill. PSR unbudgeted revenue of \$2m for Carbon Credits.
	Expenditure	150,648	156,136	157,207	5,488	311,896	312,321	425	Favourable due to temporary \$5.6m lower than budgeted Interest allocation for Three Waters activities, budget phasing issue, forecasted to come in line with budget by year end, Waterfront Public Space management reflects \$1m unfavourable variance due to insurance premium increases which is temporarily offset by YTD underspend on Gardens, Beaches and Open Spaces (underspend on Contracts which is forecast to be caught up by year end).
	Net Surplus/(Deficit)	125,042	138,034	140,054	12,992	264,812	276,119	11,307	-

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Environment	Revenue	41	0	0	(41)	41	0	(41)	-
	Expenditure	85,803	127,875	117,248	42,072	181,744	230,347	48,603	Sludge Minimisation Project YTD \$42.1m unfavourable to Budget due to delays in signing contracts, forecast to deliver 71% of budget (\$42.7m) behind budget at year end.
	Net Surplus/(Deficit)	85,843	127,875	117,248	42,031	181,785	230,347	48,562	-

### 3.4 Whanaketanga ōhanga | Economic Development

Whanaketanga ōhanga is responsible for nine LTP KPIs. Of these KPIs six report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
	<b>This period (Q2)</b>	5	1	-	6
<b>Last period (Q1)</b>	3	3	-	6	3
<b>This period last year (Q2 FY22/23)</b>	6	-	-	6	3

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

#### Key Highlights and challenges

##### Highlights:

- Courtenay Place precinct plan: we have completed engagement with businesses and residents in Courtenay Place and identified priorities to help guide actions going forward. This gives us a strong footing to work in collaboration across Pōneke Promise partners, businesses and residents to build an agile action plan that aligns with these aspirations and utilises our different levers and relationships.
- FIFA Women's World Cup: Wellington Regional Stadium very successfully hosted 9 matches for a total attendance of 231 262 spectators, an average of 25,696 fans per match. A number of our CCOs saw a huge boost in their winter visitor numbers. For example, Zealandia's tours experienced its best ever July with numbers up 70%, and visitor numbers overall up 25% year on year. The Cable Car saw 73,721 visitors through its gates including multiple global film crews and the Swedish football team – taking it to 22.9% over its target for the period.

##### Challenges

- The current tight economic environment is impacting discretionary income, which has impacts across CCOs, events, tourism and venues, making it more challenging to achieve target outcomes.
- Cost pressures continue to be a challenge for CCOs including venues. This was acknowledged through the annual plan operating grant funding review and living wage assistance support for CCOs . Cost pressures however remain - particularly for staff remuneration.

#### LTP KPI exception report

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment
			This period (Q2)	Last period (Q1)	This period last year (Q2)	
Economic Development	WREDA KPI7: Funding diversification % of revenue from commercial/non council funding and commercial activity (combined WNZ & CHQ)	30%	27.8%	27.8%	29%	Revenue from commercial/non council funding is lower due to some pipelined revenue, including at Creative HQ being delayed. This KPI is expected to meet target at years-end.

This reporting is by exception only, and the table represents those KPIs which did not meet their target this quarter

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Economic Development Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Economic Development	Revenue	(9,721)	(12,264)	(12,264)	(2,543)	(20,660)	(24,528)	(3,868)	After the positive impact of FIFA in July, we then saw lower than expected attendance numbers across our all of our venues. This is a reflection of the tough economic environment in which we are operating.
	Expenditure	28,028	28,899	28,492	871	57,507	57,681	174	Favourable COGS following on from lower revenue, this is offset by unfavourable Grants & Contributions due to FIFA Women's World Cup - \$1.5m unbudgeted spend from ringfenced City Growth Fund. Favourable variance is forecasted to reduce in the face of increased cost pressures.
	Net Surplus/(Deficit)	18,308	16,635	16,228	(1,673)	36,847	33,153	(3,694)	We forecast the negative attendance trends to continue for the remainder of the year as reflected in the forecasted negative year end variance.

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Economic Development	Revenue	0	0	0	0	0	0	0	-
	Expenditure	1,620	3,893	3,209	2,273	5,563	7,332	1,769	This \$2.3m variance relates to Venue Upgrade projects forecasted to be largely underspend this year.
	Net Surplus/(Deficit)	1,620	3,893	3,209	2,273	5,563	7,332	1,769	-

### 3.5 Oranga ahurea | Cultural Wellbeing

Oranga ahurea is responsible for three LTP KPIs. Of these KPIs one reports quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
	This period (Q2)	1	-	-	1
Last period (Q1)	1	-	-	1	2
This period last year (Q2 FY22/23)	1	-	-	1	2

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

#### Key Highlights and challenges

##### Highlights

- This quarter, New Year’s Eve celebrations at Whairepo Lagoon attracted a record crowd of 16,000. Diwali drew a crowd of 20,000 at TSB Arena and Shed 6. In community sponsored events, Namaste day Fest; Brooklyn Twilight Festival; Polish Christmas Markets and the Kilbirnie Christmas Picnic were well attended with 10,500 people across all four events. Unfortunately, significant wind and rain impacted the final ‘Christmas in the Quarters’ weekend resulting in lower-than-expected attendance numbers.
- Toi Pōneke awarded a Deaf &/or Disabled Artist Residency and the selected artist is expected to be in residence in early 2024, furthering our commitment to supporting artists within the disability sector.
- The provision of \$50,000 to Mana Whenua Iwi, Ngāti Toa Rangatira, culminated in an exhibition titled ‘Ngāti Toa o Te Whare o Waiōrangī’. This exhibition showcased work of Ngāti Toa taurā (students) and was successful in achieving its goal of sharing Ngāti Toa matauranga and whakapapa with rangatahi artists that will be important for future generations.
- 49 applications were received for the Arts and Culture fund with a total of 31 applicants receiving \$206,322.00. \$398,978.05 was delivered to multi-year organisations as part of their contracts in this quarter.

##### Challenges

- Signature events are still managing cost pressures of inflation, material, and labour increases across all activity. This is also impacting the community events we support and particularly in Traffic Management Plan costs. It will continue to be an issue across the remaining quarters of this financial year.
- The Hannah Playhouse has a key challenge this quarter to effectively communicate the ‘laboratory model’ to the wider sector and theatre-going public while operating within current staffing and financial constraints. In quarter three and within exiting resourcing, we will evaluate marketing strategies and engagement with Wellington audiences.
- Requests for advice on art projects continue to increase, and the intent to respond to diversity and inclusion strategies is challenging within existing funding levels.

There were no LTP KPI exceptions for Q2.

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Cultural Wellbeing Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Cultural Wellbeing	Revenue	(378)	(511)	(511)	(134)	(844)	(1,023)	(179)	Unfavourable revenue variance of \$0.13m will most likely remain - Budget was too optimistic and is proving to be unattainable.
	Expenditure	14,791	14,282	13,548	(509)	27,903	27,091	(812)	The \$0.5m unfavourable expenditure variance results from the Cultural Grants Pool and City Events programmes. Both variances are due to timing differences to budget as events were held a bit earlier than reflected in the budget figures. This should equalize in the 2nd half of the year.
	Net Surplus/(Deficit)	14,413	13,771	13,037	(642)	27,060	26,069	(991)	-

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Cultural Wellbeing	Revenue	0	0	0	0	0	0	0	-
	Expenditure	947	1,515	608	568	2,163	2,460	296	Wellington Cultural and exhibition centre capex is \$0.5m under budget resulting from delays; Spaceplace renewals are \$0.08m under budget. Forecasted to be close to budget at year end with slight underspend in Toa Pou project in Mataaho Aranui group.
	Net Surplus/(Deficit)	947	1,515	608	568	2,163	2,460	296	-



### 3.6 Pāpori me te hākinakina | Social and Recreation

Pāpori me te hākinakina is responsible for 16 LTP KPIs. Of these KPIs 9 report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This period (Q2)	4	1	4	9	6
Last period (Q1)	4	1	4	9	6
This period last year (Q2 FY22/23)	6	1	3	10*	7*

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

The following City Housing KPIs were closed at the end of FY22/23 due to the establishment of Toi Te Mahana, and will no longer be reported via the LTP for 2023/24;

- Occupancy rate (%) of available housing facilities
- Tenant satisfaction (%) with services and facilities

#### Key Highlights and challenges

##### Highlights

- We acquired around 57 hectares of open space land on the skyline, part of the Otari Farms land. This land purchase fills a key gap in the outer green belt, along the skyline track. This is a two-part purchase, with the second part requiring Council to complete surveying and subdivision of part of the land which will be done in the next 3-6 months.
- We've received a range of external funding, including: being gifted a \$250K donation from members of the public towards a heritage infrastructure project which will be used on renewal of the Flying Boat jetty in Evans Bay, with construction work beginning next quarter; KETE, our environmental education project received funding of \$90K through our external project partners, which will see the programme continue through to June 2024; \$30K was received from Sport NZ to advocate for the importance of Play. This funding supports additional funding received through Nuku Ora to deliver play activations over the summer.
- The Ōtari Wiltons Bush middle Pā harakeke opened. The Pā holds special weaving flaxes originally sourced from the Renee Orchison National Flax collection and will be available to raranga practitioners.
- We received unbudgeted revenue of \$2M through Carbon Credits and vested land which means our revenue is now unexpectedly ahead of our year-to-date budget.
- Our Te Whai Oranga Pōneke Strategy won the Outstanding Research Planning and Policy Awards at the 2023 New Zealand Recreation Awards.
- This quarter, Tawa Library celebrated Tokelau language and culture with stories and fatele dance, while Niuean elder Mailigi Hetutu joined Newtown branch for a special story time for Faahi Tapu he Vagahau Niue | Niue Language Week.
- Newtown Library hosted a family storytelling event to celebrate Diwali, where guest author Rajorshi Chakraborti treated the audience to 'Diwali Words', an original work written for the event, then a reading of the Pasifika book 'Dharma's Diwali'.
- Katherine Mansfield's centenary was marked with Redmer Yska, author of 'Katherine Mansfield's Europe: Station to Station' and Councils' local and NZ History Specialist, Gábor Tóth, deep diving into Mansfield's words, travels and her local Karori connection.
- A collection of 120- to 250-year-old letters collected by A. H. Reed, an icon of the NZ publishing industry, from literary figures including Mary Russell Mitford and Alfred, Lord Tennyson are now online at Wellington City Recollect.

##### Challenges

- The utility costs for gas, electricity and water across indoor and outdoor facilities, continues to be higher than budget, due to higher contract rates. The biggest impact is on gas which is used for heating at the pools. We are forecasting to be overspent by more than \$650K year end on our utilities.
- Unbudgeted work to remove 2 large trees in the Botanic Garden damaged by kaka has been tendered. Other planned tree work around the city has been deferred to prioritise this work.

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- Sportsfield allocations and field utilisation was challenging at the end of the winter season due to the success of some national football teams, moving through to semi-finals and finals which saw late season games held at our parks, when the fields would normally be closed for renovation.
- We are forecasting recruitment challenges for our recreation facilities, particularly coverage for the summer peak period of mid-February – early April. We are working to ensure full-time roles are filled to lessen the impact of any part-time gaps not filled by students.

LTP KPI exception report

This table represents those KPIs which did not meet their target this quarter.

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment
			This period (Q2)	Last period (Q1)	This period last year (Q2)	
Social and Recreation	Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)	100%	51%	59%	38.8%	Inspecting food businesses within the required timeframes is emerging from a challenging period resulting from the long tail of covid-related business disruption and the significant impact of a 50% staff turnover rate in Q1. New staff are mostly fully trained and moving to acting independently. We inspect to see an improvement in performance for Q3 however it is expected that this KPI will not meet its target at years-end
Social and Recreation	Graffiti removal – response time frames (%) met	80%	67.6%	65%	74%	The KPI result is an average across three priority categories: urgent/offensive (4 hours), high priority (3 days), and low priority (10 days). The contractor met the response times in 100% of cases for urgent/offensive jobs, 25.26% of cases for high priority, and 77.63% of cases for low priority jobs. The low percentage for the high priority area is due to Council instructing the contractor to prioritise the proactive removal of highly visible graffiti from the high priority area, which is the main arterial routes and central city, as well as the removal of offensive graffiti vandalism. Proactively removed tags represent 76% of the total amount of graffiti removed from private property in this quarter but is not reflected in the data because they do not have a 'response time' that can be measured. Overall, 4272.75 square meters of graffiti was removed in this quarter, of which 3247.75 square meters was removed proactively. Significantly more offensive and highly visible tags were removed because of the proactive approach. This KPI is at risk of not meeting its target at year-end.
Social and Recreation	Public toilets - response timeframes (%) met	95%	55.8%	63%	65.3%	32 of 67 calls met the required timelines this quarter. The main contractor has challenges in securing sub-contractors to complete the work and has issues with its in-house system managing the workflow. This KPI speaks to the timeliness of the contractor in updating or closing jobs in its in-house system and is impacted when the contractor systems fail. The nature of the contract limits our influence; however we are working with the contractor for improvements where possible. This KPI is not expected to meet its target at year-end.
Social and Recreation	Alcohol Licences - premises inspected within target timeframes (%)	100%	0%	0%	10.6%	This quarter, emphasis has been focused on Special Licences for the 2023/24 Christmas Holiday and Summer Event Season. The primary focus has been on efficiently issuing these licences. Peak time inspections, which are seasonal, will resume during the warmer months once the event season has concluded. This KPI is at risk of not meeting its target at year-end.

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment
			This period (Q2)	Last period (Q1)	This period last year (Q2)	
Social and Recreation	Dog control - response timeframes (%) met	100%	91.5%	94%	95.2%	Response times for dog complaints have not been met primarily due to delays in the after-hours service referring complaints to Animal Control Officers. The challenges were particularly pronounced during the Christmas-New Year holiday period. Furthermore, aggressive dog complaints led to delays as Animal Control Officers awaited necessary backup. The situation was exacerbated by a shortage of Animal Control Officers during the holiday period. This KPI is at risk of not meeting its target at years-end.

Social and Recreation Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Social and Recreation	Revenue	(20,515)	(16,756)	(16,771)	3,759	(40,033)	(33,513)	6,520	Lease Revenue is favourable to budget YTD due to the additional lease revenue received in August (\$2.4m) due to the delay of the Te Toi Mahana transition. Further to this WCC are receiving the CHP Base Rent of \$1.3m on a monthly basis.
	Expenditure	83,198	78,477	78,028	(4,721)	162,681	156,097	(6,584)	Expenses are unfavourable due to much higher than planned annual increases from the suppliers of the utilities. The abnormally high increase in utility prices had a negative impact on expenditure for Pools, Sports fields and Libraries of \$1.8m combined. In addition, Housing maintenance costs have exceeded budgets by \$2m YTD.
	Net Surplus/(Deficit)	62,682	61,721	61,257	(962)	122,648	122,584	(63)	-

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Social and Recreation	Revenue	0	0	0	0	0	0	0	-
	Expenditure	12,490	24,378	24,412	11,888	35,188	47,825	12,637	City housing \$6.8m under budget (mostly on the "Single Capital Program" (HUP2) project \$6.2m) forecasted to be underspent \$8.9m by year end largely due to supply and delivery issues; Libraries and Connected Communities have spent just over half of their YTD capex budgets. These projects are on track to ramp up spending in the 2nd half of the year and reduce the \$4m YTD variance to capex budgets.
	Net Surplus/(Deficit)	12,490	24,378	24,412	11,888	35,188	47,825	12,637	-

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### 3.7 Tāone tupu ora | Urban Development

Tāone tupu ora is responsible for 11 LTP KPIs. Of these KPIs eight report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
	This period (Q2)	5	-	3	8
Last period (Q1)	5	-	3	8	3
This period last year (Q2 FY22/23)	3	1	4	8	3

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

#### Key highlights and challenges

##### Highlights

- City, Consenting and Compliance (CCC) are currently implementing an operationally focused improvement program informed by stakeholder feedback. Most specifically an ongoing series of Developer Hui have informed improvement programs in the subdivision certification and structural engineering spaces. Programmes are being developed to address specialist advisor inputs, case management/support and ongoing engagement; these will be scoped with the development community over the next quarter. This work links to the Housing Action Plan and Business Friendly City policy areas which are focused on ensuring housing developments are supported through the consent process. A suite of improvements spanning processes, digital/IT finance and data/reporting will be implemented over 2024.
- Good progress has been made towards improving reporting through the introduction of a Power BI interface for Building, Compliance and Consents (BCC) monthly reports. The interface has enabled the BCC management team to have access to a wide range of data that can then be used to support performance.
- Roll out to BCC functions of Toha Mahi, a new work allocation tool which automates various aspects of consent processing, and its further roll out to other CCC functions.
- Significant improvements have been achieved in moving to the virtual desktop - Go Get Speed - which has delivered substantial improvements in speed to current end users, reducing a key inefficiency.
- Karori Connections and Berhampore to Newtown transitional bike, bus and walking improvement projects as well as the concept design for Frederick Street Park were out for public consultation in Q2. There was a good level of engagement including a number of drop-in sessions for each project. Delivery of the pipeline of public space and street upgrade projects approved for installation over the last 18 months has begun to ramp up but is still running behind schedule due to a slower than expected start-up of the Contractor Panel. However, pre-implementation planning for the next two quarters will allow catch up on some of this delay.

##### Challenges

- Aging and incompatible software systems are contributing to inefficiencies and risk. A piece of work is being scoped to better enable integration of CCC systems with WCC financial systems and will be executed in conjunction with the Finance business team. Improvement programmes will surface opportunities for improvements.

LTP KPI exception report

This table represents those KPIs which did not meet their target this quarter.

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment
			This period (Q2)	Last period (Q1)	This period last year (Q2)	
Urban Development	Building consents (%) issued within 20 workings days	100%	80%	81%	51.5%	While not achieved, there is a significant improvement on the same period last year. Volumes have remained stable, supplemented by consents received from Hutt City Council through a reciprocal agreement, with a similar agreement under negotiation with Auckland Council. The trend has shown a decrease in new residential build consents and an increase in consents for residential alterations. The primary cause of consents exceeding designated timeframes is attributed to a lack of engineering capacity. This KPI is not expected to meet its target at years-end.
Urban Development	Code of compliance certificates (%) issued within 20 working days	100%	84%	81%	87%	Has not met target due to a change in guidance from MBIE/IANZ regarding the appropriate process and system limitations. This KPI is not expected to meet its target at years-end.
Urban Development	Resource consents (non-notified) (%) issued within statutory time frames	100%	86%	83%	61.3%	The timeliness of external advisor assessments has shown improvement, but it remains the primary factor contributing to this KPI not meeting its target. This KPI is not expected to meet its target at years-end.

Urban Development Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Urban Development	Revenue	(11,884)	(13,727)	(13,848)	(1,842)	(26,305)	(27,454)	(1,148)	Unfavourable due to lower than planned revenues in both building and resource consents. Application volumes are down for both, by 26% and 18% respectively. Assumptions around the release of revenue for the sub-surface project is also a factor with a greater portion of that programme now being Capex.
	Expenditure	31,892	29,412	29,712	(2,480)	67,846	59,323	(8,522)	Unfavourable due to the costs associated with Shelly Bay including the fire and subsequent clean-up. These costs are expected to continue to be incurred for a number of months. Offsetting to some extent is the reduced expenditure on the sub-surface project as above.
	Net Surplus/(Deficit)	20,008	15,685	15,865	(4,323)	41,541	31,870	(9,671)	-

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Urban Development Q2 Financial Summary (continued)

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Urban Development	Revenue	0	0	0	0	0	0	0	-
	Expenditure	28,780	38,071	32,346	9,291	68,462	73,937	5,474	Under budget across a number of work programmes with the largest being in Earthquake Mitigation (Town Hall \$4.2m), Housing Investment Programme (\$2.2m), delays on the Frederick Street pocket park (\$0.7m) and Waterfront Development (\$0.7m) - predominantly Frank Kitts Park playground. With the exception of the Housing Investment Programme, expenditure is expected to increase over the remainder of the year, especially with regard to the Town Hall.
	Net Surplus/(Deficit)	28,780	38,071	32,346	9,291	68,462	73,937	5,474	-

### 3.8 Waka | Transport

Waka is responsible for 12 LTP KPIs. Of these KPIs three report quarterly with the balance reporting annually.

Non-financial KPI results				Reported quarterly	Reported annually
This period (Q2)	1	1	1	3	9
Last period (Q1)	1	-	2	3	9
This period last year (Q2 FY22/23)	1	1	1	3	9

Green = 0%-4.99% off target; Amber = 5%-9.99% off target; Red = ≥10% off target; \* Not Reported

#### Key Highlights and challenges

##### Highlights

- The streetlight spigot removal is ahead of program, and we have engaged another contractor to aid delivery. Completion date remains the same with a reassessment at midpoint.
- Focus is now on the renewal of a combined Streetlight and Signals maintenance contract, and along with the road maintenance contract due in 2025. Capital delivery continues with the city projects however due to the volume of works happening in the city, progress has been harder than expected.

##### Challenges

- The Road Maintenance contract entered the first of a 2-year rollover and as expected, rates were significantly increased with some in excess of 150%. Due to the increased rates, our ability to deliver the entire works program with the reduced budget will see less work delivered from previous years.
- The structures team is working with a tight budget which only just covers the forward work of this year. Considerably more budget will be required to truly deal with the damage caused by the 2022 slips.

#### LTP KPI exception report

This table represents those KPIs which did not meet their target this quarter.

LTP Activity area	KPI description	Target	2023/24		2022/23	Comment
			This period (Q2)	Last period (Q1)	This period last year (Q2)	
Transport	City parking peak occupancy (% utilisation)	75%	52%	53%	53%	Parking peak occupancy remains low with results on par with the previous quarter and the same quarter last year. This KPI is not expected to meet its target at year-end.
Transport	Customer service requests (%) relating to roads and footpaths that are responded to within timeframe. (Urgent within 2 hours and non-urgent within 15 days)	98%	93%	87%	89.2%	The in-quarter result for this KPI saw 34% responded to within the required 2hours timeframe and 98% responded to within the 15day timeframe. An overall in-quarter result of 98%. This is a significant improvement from Q1. The year-to-date result is 93%. This KPI is at risk of not meeting its target at year-end.

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Transport Q2 Financial Summary

OPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Transport	Revenue	(33,869)	(28,603)	(28,603)	5,266	(81,448)	(57,206)	24,242	Favourable LGWM vested asset \$8.7m (forecasted to be \$32,1m by year end) offsetting unfavourable NZTA Rooding subsidy \$0.8m due to lower Opex spend on roading (~\$2.4m behind budget), forecasted to by unfavourable \$1.9m by end of year. Also parking revenues \$2.9m unfavourable to budget as utilisation still not recovering to pre Covid 19 levels. We expect an \$4.8m unfavourable variance by year end. Actual occupancy of parking spaces 52% vs budgeted 75%. The budget reflects a reduction to 344 parking bays by end of FY24.
	Expenditure	76,079	71,945	72,247	(4,134)	145,776	143,891	(1,885)	Insurance \$1.0m and depreciation \$2.0m unfavourable to budget mainly due to increase in asset values after prior year revaluation. These unfavourable variances are forecast to lessen against budget for full year.
	Net Surplus/(Deficit)	42,210	43,342	43,644	1,132	64,328	86,684	22,356	-

CAPEX		Year to date (\$000's)				Full year (\$000's)			Commentary
		Actual	BDR	Bud	Var	Forecast	BDR	Var	
Transport	Revenue	(100)	0	0	100	0	0	0	-
	Expenditure	52,233	64,449	64,152	12,216	147,294	128,844	(18,450)	Cycling Network is \$8.4m under budget due to some contract uncertainty and seasonality where some work will now be completed in the next financial year. LGWM forecasted to overspend \$25.6m, this will be offset by increased vested asset revenue and reclassification of Opex budget. The reworked budget and overspend will be brought to council for approval next couple of months
	Net Surplus/(Deficit)	52,133	64,449	64,152	12,316	147,294	128,844	(18,450)	-



## Section 4. Financial Performance Report

This section provides the financial performance for the quarter.

### Budget Performance Quarter 2 (\$000s)

	Year-to-date (\$000s)			Full Year (\$000's)		
	Actual	Budget	Var	Forecast	Budget	Var
	\$000's	\$000's	\$000's	(\$000s)	(\$000s)	\$000's
<b>Revenue</b>	417,049	410,554	6,496	890,272	868,544	21,727
<b>Expenditure</b>	410,952	409,131	1,821	833,032	816,365	16,668
<b>Net Surplus</b>	<b>6,097</b>	<b>1,423</b>	<b>4,675</b>	<b>57,239</b>	<b>52,180</b>	<b>5,059</b>



At the end of the second quarter of FY 2023/24, the Council has a surplus of \$6.1m. This is a favourable variance to plan of \$4.7m.

The key drivers of this result are:

- Revenue being ahead of budget by \$6.5m largely due to additional growth in overall capital values increasing rates revenue \$5.4m; an increase in rates penalties \$1.6m; an increase in other revenue reflecting unbudgeted vested or gifted assets \$10.8m; and an increase in Landfill and Rubbish Revenue of \$5.1m. This is offset by sludge minimisation grant revenue being down \$14.9m as actual capital spend has not occurred as expected.
- Expenditure also exceeds budget by \$1.8m, which is made up of several movements, including increased depreciation.

The full year forecast is indicating a larger net surplus of \$57m which is \$5m better than budget. This is driven by:

- Revenue is forecast to be \$22m higher than budget due to vested or gifted assets up \$34m largely due to Let's Get Wellington Moving assets transferring to Council, rates revenue continuing to be higher by \$5m and this is offset by reduction in IFFFAAA grant revenue of \$32m.
- Expenditure is forecast to be \$17m higher than budget due to depreciation forecast increasing in line with actuals up \$8m, change in operating agreements of City Housing and Quarry requiring different account treatment led to expenses increasing \$8m (Revenue has also increased) and a reduction in LGWM costs of \$7.6m.

We are paying particular attention to the following areas:

- Given the challenging economic conditions and high inflation environment we are monitoring the level of late payment and default across debtor profile. This has the potential to impact our cash and liquidity positions.
- We will continue to closely manage our key treasury positions and ensure compliance with council policies.
- We will continue to closely monitor financial performance.

Quarterly Performance Report | Quarter 2 2023/24

Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke

#### 4.1 Financial Performance

Consolidated Performance 1 July 2023 – 31 December 2023

	Year To Date		
	Actual \$000's	Budget \$000's	Var \$000's
<b>Income</b>			
Rates & Levies Revenue	247,508	240,555	6,953
Revenue from Operating Activities	91,776	87,399	4,378
Investment Revenue	5,835	5,763	71
Other Revenue	67,960	75,086	(7,126)
Development Contribution Revenue	3,970	1,750	2,220
<b>Total Income</b>	<b>417,049</b>	<b>410,554</b>	<b>6,496</b>
<b>Expenditure</b>			
Personnel	88,454	88,891	(436)
Contracts, Services, Materials	131,745	137,081	(5,335)
Professional Costs	7,575	9,603	(2,028)
General Expenses	57,612	54,055	3,557
Depreciation and amortisation	103,106	98,234	4,872
Interest Expense	28,768	30,480	(1,712)
Internal Recharge and Recoveries	(6,308)	(9,212)	2,904
<b>Total Expenditure</b>	<b>410,952</b>	<b>409,131</b>	<b>1,821</b>
<b>COUNCIL NET SURPLUS/(DEFICIT)</b>	<b>6,097</b>	<b>1,423</b>	<b>4,675</b>

At the end of the second quarter of FY 2023/24, the Council has a surplus of \$6.1m. This is a favourable variance to plan of \$4.7m.

The following comments provide context to significant and relevant variances:

##### Revenues Up \$6.5m

- Rates and Levies Revenue is ahead of budget by \$7m (3%). This is driven by General Rates being up \$5.4m or 2% due to the additional growth in overall capital values between the rates resolution and rates strike (an overstrike) and Penalties, up by \$1.6m.
- Landfill, Rubbish and Recycling has delivered a larger than expected surplus of \$4.7m driven by revenue being \$5.1m or 34% higher than forecast. The increased revenue has been driven by higher volumes of contaminated soils and asbestos than had been budgeted.
- Council has also received asset gifts/ vested assets of \$10.8m compared to a budget of \$50K. Main driver is LGWM vested assets \$8.8m which reflects the Waka Kotahi share of completed projects that have been handed back to WCC which had not been budgeted.
- Sludge grant revenue is down \$14.9m due to delays in finalising contracts which has delayed the timing of the costs being incurred compared to forecast.

##### Expenses Underbudget by \$1.8m

- Contracts, Services and Materials is under budget by \$5.3m (3%). The main area of underspend is in
  - Let's Get Wellington Moving (\$5.7m) which has been impacted by the uncertainty created by the change in government.
  - Grants and contributions are down \$2.5m due to timing.
  - This has been offset by an increase in City Housing CSM due to the operations and costs staying within council one month longer than had been budgeted.
- Depreciation is \$4.9m over budget as a result of higher-than-expected asset depreciation and amortisation mainly from Information Services \$1.11m, Waterfront Assets \$1.1m and Traffic Control \$1m.
- General Expenses are \$3.6m over budget which has been driven by Utility Costs being \$2.8m or 10% over budget.
  - \$1.6m relates to costs to continue operate in City Housing assets which has been offset by higher than budget revenue of the same amount. This has been corrected in the forecast.
- Professional costs are underspent by \$2m (21%). This variance is spread across the organisation with the bulk sitting in Planning & Environment \$1.1m (Strategic Planning and Climate Change Response owing to timing in the delivery of the work programme).

**Consolidated Full Year Forecast 1 July 2023 – 30 June 2024**

	<i>Full Year</i>		
	<i>Forecast \$000's</i>	<i>Budget \$000's</i>	<i>Var \$000's</i>
Rates & Levies Revenue	486,241	481,110	5,131
Revenue from Operating Activities	182,473	174,798	7,676
Investment Revenue	22,452	22,427	25
Other Revenue	189,898	186,710	3,188
Development Contribution Revenue	9,207	3,500	5,707
<b>Total Income</b>	<b>890,272</b>	<b>868,544</b>	<b>21,727</b>
Personnel	179,484	177,782	1,703
Contracts, Services, Materials	269,175	272,264	(3,088)
Professional Costs	17,057	19,206	(2,148)
General Expenses	116,032	108,111	7,921
Depreciation and amortisation	204,548	196,468	8,080
Interest Expense	58,989	60,959	(1,970)
Internal Recharge and Recoveries	(12,254)	(18,424)	6,171
<b>Total Expenditure</b>	<b>833,032</b>	<b>816,365</b>	<b>16,668</b>
<b>COUNCIL NET SURPLUS/(DEFICIT)</b>	<b>57,239</b>	<b>52,180</b>	<b>5,059</b>

We have completed a full forecast for the 23/24 financial year which has resulted in the forecast net surplus increasing \$5m to \$57m.

**Forecast Revenues Up \$22m to \$890m**

- Vested or gifted assets are forecast to increase compared to budget by \$34m. The majority reflects the Waka Kotahi share of LGWM projects that will be completed and returned to WCC. The gifting of this asset had not been budgeted.
- Rates Revenue is forecast to continue to be above budget by \$5m for the full year.
- The City Housing/ HUP 2 operations has been reforecast now the agreements with Te Toi Mahana have been finalised. This has led to revenue increasing \$5.3m and expenses increasing \$3.9m.
- Development contribution revenue is forecast to be above budget for the full year by \$5.7m. YTD revenue is up by \$2.2m.
- Sludge grant revenue is forecast to be down \$32.2m on budget. Construction contracts are now complete, and the new spend profile has been reflected in the forecast.

**Forecast Expenses increase by \$17m to \$833m**

- Depreciation and amortization are forecast to be \$8m or 4% higher than budget (YTD \$4.9m over budget). The Key areas driving this variance are
  - Software amortization \$1.7m or 34%.
  - Waterfront Public Space management \$1.9m and
  - Traffic Control Asset Management \$1.7m

- The City Housing/ HUP 2 operations has been reforecast now the agreements with Te Toi Mahana have been finalised. This has led to revenue increasing \$5.3m and expenses increasing \$4.3m.
- Quarry Expenses have been reforecast in line with the new operations contract (Increase of \$3.6m on budget). This operation used to be accounted for on a net result basis but now we required to account on a gross basis. This means revenue and expenses are now higher, but the net result is similar (Net Surplus \$1m).
- Urban development heritage and public spaces development full year spend is forecast to be \$4.5m to \$24.7m. The key drivers are the Build Wellington Program up \$3m, CBD Conversions up \$2.8m offset by a reduction in other costs by \$1.5m.
- Let's Get Wellington Moving is down \$7.6m as the project has slowed down due to uncertainty relating to the program of work.

Financial performance by individual strategic activity areas including financial commentaries is outlined in Section 3.

## 4.2 Treasury Report

### Debt funding activity

	Current	YTD Change
Gross Borrowing*	\$1,485,000,000	\$245,000,000
<b>Net Debt</b>	<b>\$1,305,177,418</b>	<b>\$174,685,994</b>

\*Total Gross borrowing less prefunding

In quarter two, gross borrowings increased by \$143m. This debt was to fund our capital program spend for quarter two and to prefund our capital programme requirements through to March 2024.

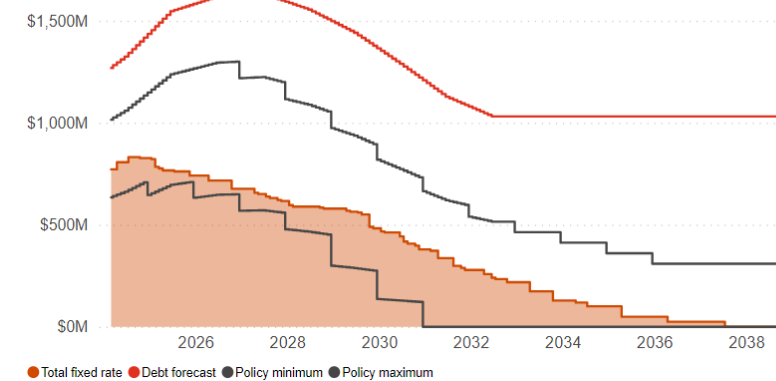
### Policy Compliance

Risk Area	Compliance Status	Plain Language Meaning
Liquidity Risk	Compliant	Cash Availability
Funding Risk	Compliant	Spread of Debt Maturities
Interest Rate Risk	Compliant	Managing Interest Rate Risk
Counterparty Risk	Compliant	Not all eggs in one basket

- The Council complies with the liability management policy as at the end of December. During the quarter, we were compliant each month with our liquidity ratio.
- In quarter 2, updates to the liability and investment policy were approved by Council, and the changes will be implemented by 30 June 2024 (in line with the LTP).
- We continue to work on our debt forecasting and interest costs in line with the LTP process, with a similar trajectory to the 2021-31 LTP.
- Interest costs continue to be managed using a mixture of floating and fixed rate debt in compliance with our treasury policy.
- We added two new interest rate swaps to our portfolio of \$20m each with fixed interest rates of 3.9925% and 3.915%. This extended our compliance period for interest rate risk by three months to December 2024.
- Liquidity management is challenging in the current environment with increasing debt driving a need for a corresponding increasing level of liquid assets required to comply with our internal policy. Liquid assets (for treasury management purposes) include cash in bank, standby bank facilities and term deposits maturing within 30 days of measurement date.
- A working capital facility with ANZ is now in place. We are currently using the working capital facility to help manage cash flow of the sludge minimisation plant construction this is due to timing of reimbursement drawdown occurring quarterly under the IFF agreement. Our second payment reimbursement draw down was in December

Most existing Council debt has been fixed for at least the next three years and 52% of our debt is currently hedged. The below table displays our level of hedging over our debt maturity horizon.

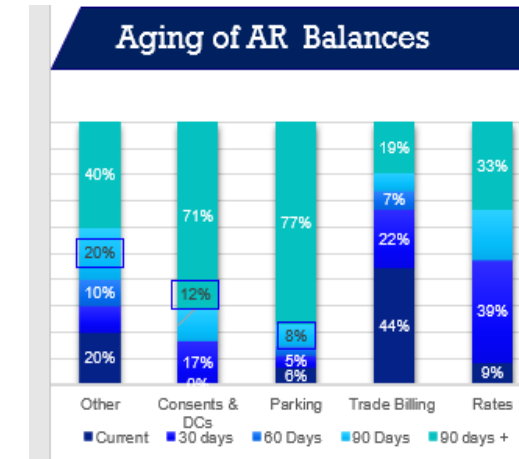
### Interest rate risk timeline



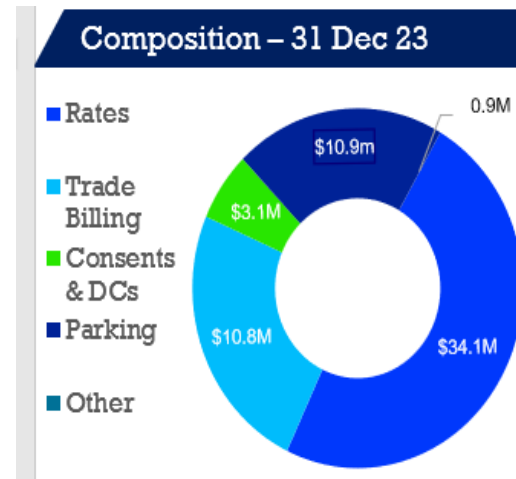
### 4.3 Rates and General Debt

**Total Debtors is \$59.8m**, higher than the same period last year (\$57.1m). The main driver of the increase is in outstanding debtors is coming from Rates. This correlates to the increase in rates of 12.3% after growth. However, this increase has been mitigated by enhanced collections from trade billings, including property leases and other services. The following table summarises the debtor balance as at 31 December 2023.

Type of Debt	Balance	Debt at Risk	Already Provided for in Accounts	At Risk Balance as a % of Total	# of Accounts at Risk
Rates	\$34.10	\$4.90	\$1.90	14%	1350
Trade Billing	\$10.80	\$1.60	\$0.80	15%	169
Consents and DC	\$3.10	\$2.10	\$1.00	68%	446
Parking	\$10.90	\$8.10	\$6.10	74%	>1000
Other	\$0.90	\$0.10	\$0.00	11%	>1000
<b>Total</b>	<b>\$59.80</b>	<b>\$16.80</b>	<b>\$9.80</b>	<b>28%</b>	



The rates debtor balance of \$34.1m is made up of \$28.2m rates debt and \$5.9m of water rates. \$9.4m of the rates balance remains outstanding from prior year of which \$4.1m is secured (properties with mortgages) which will be recovered by the mortgagee process and \$5.3m is unsecured which will require proactive actions to recover.



Rates Debt Summary (excludes Water Rates)	Current Year (m)	Prior Year (m)	Total (m)
Balance as at 31 December 2023	\$ 18.8	\$ 9.4	\$ 28.2
Debt Related to Mortgaged Properties (Secured)	-\$ 12.2	-\$ 4.1	-\$ 16.3
<b>Unsecured Debt</b>	<b>\$ 6.6</b>	<b>\$ 5.3</b>	<b>\$ 11.9</b>
Less: Payment Arrangements & Provisions	-\$ 0.2	-\$ 2.8	-\$ 3.0
Current unsecured debt considered low risk.	-\$ 4.0	\$ -	-\$ 4.0
<b>Debt at risk</b>	<b>\$ 2.4</b>	<b>\$ 2.5</b>	<b>\$ 4.9</b>

## Section 5. Community outcomes





We track a suite of outcome indicators to understand how the Council and city is changing and monitor progress towards our vision and community (wellbeing) outcomes. Meeting these outcomes is not just the work of Council but also of the city as a whole. The aim is to track meaningful indicator changes over to inform our planning.

This is the third year we are monitoring our outcome indicators for trends in LTP community wellbeing.

Ongoing improvement the underlying data to reflect the work the city is currently delivering and as well as the draft LTP outcomes continued during the quarter.



### Summary observations

- 
**Environmental wellbeing**  
 A sustainable city, there are indications that we're making early progress, for example and increase in the use of solar energy and increase in food rescue. Residents have a high awareness of the current state of our environment, including issues related to pollution and waste which is an enable of behaviour change (Source: RMS 2023)
- 
**Social wellbeing**  
 While city safety remains a concern, there is a strong feeling of being connected to the community for residents. Compared to previous years, there are positive improvements in housing affordability and healthy housing, with fewer residents reporting damp homes and many reporting improvements in home heating (Source: RMS 2023)
- 
**Cultural wellbeing**  
 The city's cultural and arts sector is still in recovery mode from COVID-19. However, residents have expressed very strong support for arts and culture, and a sense of pride in the city. (Source: RMS 2023)
- 
**Economic wellbeing**  
 Permanent and long-term migration has significantly increased this year, and the economy shows great signs of recovery post COVID-19 with the return of international events, visitors and residents. (Source: StatsNZ)

### Snapshot of Emerging indicator trends

#### Highlights

- A steady increase from the previous year in the capacity of solar as a renewable energy source, with solar energy installations rising 96% over the past five years.
- City greenhouse gas emissions fell by 9% between 2020 and 2022.
- Positive trends in city food rescue and redirection, resulting in meals being provided to those in need and a reduction of CO2 emissions.
- Improvements in people's ability to contribute to, and be a part of, a community and to interact in society.
- Very positive increase in permanent and long-term migration to Wellington City.
- Steady increase in long term growth of GDP per capita, with improved housing affordability and wellbeing, and household income.

#### Challenges

- A slow decline in residents' perceptions of our rich and diverse arts scene, however there's high satisfaction with Council-run events attended by residents.
- A slight decrease in resident's sense of pride in the area, but an increase in positive perceptions of the city
- Fewer residents feel it's easy to access the city, which is attributed to bus network issues and fewer parking options in the city.
- The proportion of residents who have confidence in Council's decision-making processes remains low, although confidence has increased from last year's results, and we expect this metric will lift as changes are made in the way the Council engages with the community

## Part D: Appendices - Detailed performance information



## Appendix 1: Strategy Updates

Tūpiki Ora Māori Strategy
<p><b>Vision:</b> Kia mauri ora te taiao, kia mauri ora te whānau, kia mauri ora te ao Māori The vitality of our environment is nourished, the wellbeing of our whānau is fostered, te ao Māori is embraced and celebrated</p>
<p><b>Summary status:</b></p> <p><b>Overall health and progress status is reported as GREEN</b></p> <p>The work programme includes 47 projects and initiatives being led by 22 business units.</p> <ul style="list-style-type: none"> <li>• 1 Completed <ul style="list-style-type: none"> <li>○ Audit, Risk and Assurance team completed a strategic risk profile for the ‘non-delivery of Tūpiki Ora and Tākai Here.’ This was approved by Audit and Risk Committee in November 2023.</li> </ul> </li> <li>• 23 In progress <ul style="list-style-type: none"> <li>○ This represents projects that could be in any phase of the project cycle. For example, in the early initiation phase, planning or implementation.</li> </ul> </li> <li>• 17 Not started <ul style="list-style-type: none"> <li>○ This represents projects where there is still intent to proceed but activity to date does not yet suggest the project has been formally initiated.</li> <li>○ Others have not started due to dependencies. For example, work cannot commence on drafting a Papakainga Chapter for the District Plan until Commissioners on the District Plan Hearing’s Panel release their recommendations. Due February 2024.</li> </ul> </li> <li>• 2 Closed and will not proceed <ul style="list-style-type: none"> <li>○ Projects that were not approved to proceed in 2023/24 following further business justification analysis. Includes the business case for Cuba Street upgrade which was to work with a Māori design studio. Also not progressing is an e-learning module for staff on engaging with our Tākai Here partners. Some aspects of this project may however be incorporated into the development of Council’s Māori capability framework - Kōkiritia.</li> </ul> </li> <li>• 4 Paused <ul style="list-style-type: none"> <li>○ Projects are paused for reasons such as staff capacity or turnover.</li> </ul> </li> </ul> <p><b>Background:</b></p> <p>Council has an agreed annual work programme of projects and initiatives with clear alignment to Tūpiki Ora actions and the priorities of our Tākai Here partners. There are many other projects across Council that contribute to realising Tūpiki Ora however, the agreed work programme is the focus for monitoring and reporting. This approach enables more meaningful reporting of progress rather than scooping up all the things Council are doing that have a Māori component that can be associated with Tūpiki Ora actions.</p> <p>Each year, projects and initiatives are selected for monitoring and reporting which take the following into account:</p> <ul style="list-style-type: none"> <li>• Continuity and financial prudence. For example, prioritising existing projects over new.</li> <li>• Efficiency. For example, contributes to other key strategies in Council.</li> <li>• Collaboration. Projects and initiatives that establish more effective ways of working across Council and with our partners.</li> <li>• Impact. For example, derives the greatest value from the 10-year Māori outcomes funding.</li> </ul> <p>Our reporting focuses on how these projects collectively contribute to Tūpiki Ora. Individual project progress is reported through the lead business unit’s performance reporting</p> <p><b>Quarter 2 update:</b></p> <p>Tūpiki Ora outcome areas include Pae Hekenga or waypoints. Helping us to navigate toward the longer-term outcomes.</p> <p>Status is determined by the number of projects completed and in progress overall. 50% or more is green, less than 50% is amber, less than 25% is assessed as red.</p> <ul style="list-style-type: none"> <li>• <b>Pae Hekenga 1: Te whakatairanga i te ao Māori - enhancing and promoting te ao Māori</b></li> </ul> <p>Of 15 projects and initiatives – 9 in progress, 4 not started, 1 closed, 2 paused</p> <p>Status rating <b>GREEN</b></p>



*Commentary:* Incorporating te ao Māori narratives, identities and histories into infrastructure, facility and event projects typifies Council’s current commitment and approach. This type of kaupapa adds significant value to the cultural landscape of Whanganui-a-Tara, te ao Māori presence and an increasing sense of place for hapori Māori and Mana Whenua.

Key projects to facilitate these opportunities this year include Te Ngākau and our annual events such as Matariki ki Pōneke. Several other projects, that are more internally focussed, are underway to improve collaboration on these types of opportunities and support a more coordinated approach to engagement with Tākai Here partners.

- **Pae Hekenga 2: Tiakina te taiao – Caring for our environment**

Of 8 projects and initiatives – 4 in progress, 4 not started

Status rating **GREEN**

*Commentary:* This outcome area has the fewest projects and initiatives where alignment to Tūpiki Ora is strong. However, that may not be a fair representation of Council’s overall investment in the inclusion of Māori and of matauranga Māori in our environmental planning and implementation.

Initiatives include climate change response, Taputeranga Island restoration, kai sovereignty and water quality aspirations. The latter two are not started and scoping will start in quarter three.

The key challenge in this outcome area is the lack of visibility we have across Council of our environmental initiatives. This presents a challenge for us when engaging with our Tākai Here partners on what is possible, where and when. This is a known gap and one that is being considered as part of a review of the Council’s strategic framework and also as part of improvements we are considering to our engagement model with our Tākai Here partners.

- **Pae Hekenga 3: Te whakapakari pūmanawa - building capability**

Of 13 projects and initiatives – 1 complete, 6 in progress, 4 not started, 1 closed, 1 paused

Status rating **GREEN**

*Commentary:* This outcome area represents a diverse range of areas which collectively would see a step change in capability for Council, kaimahi Māori, Tākai Here partners and community. Those in progress include:

- Developing an enhanced model for giving effect to our Tākai Here partnership – this would assist all Council staff in their engagement.
- Commissioning an improvement initiative to support the needs of kaimahi Māori to thrive at Council.
- Finalising the development of dashboard reporting that assesses our progress toward Tūpiki Ora – helping us move from reporting on the completion of projects to reporting on the difference they are making.
- Finalising Kōkiritia - creating supporting resources to enable our internal Māori capability framework.
- Enhancing our planning and decision-making tools with better guidance on how to incorporate better outcomes for Māori.

Other projects and initiatives which have not started yet include:

- Considering options for how we could better support our Tākai Here partners capacity and capability to comment on resource consenting applications.
- Incorporating Marae into emergency response and recovery policies and procedures.
- Exploring an opportunity to establish a working example for co-management and/or co-governance (action in Te Whai Oranga – Open Space and Recreation strategy).

- **Pae Hekenga 4: He whānau toiora – thriving and vibrant communities**

Of 11 projects and initiatives – 5 in progress, 5 not started, 1 paused

Status rating **AMBER**

*Commentary:* Objectives within this Pae Hekenga include housing, accessibility to spaces and places, Māori business, and leadership opportunities for rangatahi Māori. These represent aspects that make a real difference in people’s lives but also require greater investment and greater coordination across services, stakeholders, and partners.

Projects in progress include three that relate to supporting Māori business and economy: re-engaging with Māori Business Networks, setting progressive procurement targets specific to Māori outcomes, and providing procurement support to Māori and iwi owned businesses. This support includes creating a tendering training guide for suppliers due for release in late 2024.

Housing remains a key priority for us all, including our Tākai Here partners. There are a range of projects and initiatives relating to housing and whenua. These represent mostly existing projects or business as usual processes (e.g. consenting) where we are seeking greater internal coordination to identify and advance objectives specific to Māori. These include progressing a papakainga chapter for the District Plan.

Te Atakura – First to Zero
<p><b>Goal:</b> Wellington is a net zero emission city by 2050</p>
<p><b>Summary status:</b></p> <p><b>Overall health and progress status is reported as <span style="color: orange;">AMBER</span></b></p> <p><b>Reduce City emissions by 57% between 2020 and 2030, and net zero by 2050 - status is <span style="color: orange;">AMBER</span>:</b></p> <ul style="list-style-type: none"> <li>• Annual total gross emissions decreased by 1.4% from FY22 to FY23 driven by a reduction in the emissions intensity of national electricity generation which meant that electricity was 44% less carbon intensive per unit consumed than in FY22.</li> <li>• City emissions have reduced by a total of 10% between FY20 and FY23 against the target of 57%.. Comment: Need to maintain momentum, and focus on delivering the projects with greatest potential impact on city emissions and where Council has the greatest influence (the transport system and creating higher urban density).</li> </ul> <p><b>Reduce Council’s Scope 1 &amp; 2 emissions by 57% between 2020 and 2030<sup>1</sup>, and overall to net zero by 2050 – status is GREEN</b></p> <ul style="list-style-type: none"> <li>• A significant reduction in emissions from the landfill that has reduced Council emissions by about a third. The Council Emissions Reduction Plan is currently under development. Comment: Council Emissions Reduction Plan and 2030 target approved by the Executive Leadership Team on 13 November 2023.</li> </ul> <p><b>Create a resilient city and Council – status is <span style="color: orange;">AMBER</span>:</b></p> <ul style="list-style-type: none"> <li>• Adaptation work programme is on track. Comment: Central government clarity on policy, funding and financing required to make further progress</li> </ul>
<p><b>Background:</b></p> <p>Council declared a climate and ecological emergency in June 2019 and adopted <i>Te Atakura – First to Zero</i>, which addresses both how we prevent climate change from getting worse, and how we adapt to the impacts of climate change that can’t be avoided. When surveyed, 92% of Wellingtonians are a little, a lot or very worried about climate change. The strategy responds to the need to take urgent collective climate action to protect the people, places and lifestyle we love, and outlines the role of Council as a local government organisation in responding to this challenge.</p>

<sup>1</sup>Scope 1 & 2 emissions are those directly under our control (for example petrol and diesel in vehicles, landfill methane, electricity and gas in buildings)  
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Te Atakura – First to Zero						
Quarter 2 update:						
Te Atakura Implementation plan progress						
Action areas	Purpose	Programme / activity	Q2 Progress	Comments	Contribution to reduction targets	
					2030	2050
<b>Te Ao Māori and climate action</b>						
<b>Aligning with Tūpiki Ora</b>	Partner with Mana Whenua and Māori to achieve equitable and sustainable change	Te Ngutu Kākā (CCR’s Māori Partnerships and Engagement Strategy)		Relationship building with mana whenua on the topic of climate action is going well.	✓	✓
<b>Become a net zero-carbon city</b>						
<b>Transport and urban form</b>	Create a city where you can live close to where you want to go, and to get there safely and reliably using zero-carbon transport options.	Proposed District Plan		Enables significantly increased urban density, currently in the approvals process.		✓
		Mass rapid and public transport improvements		With a change of govt, there is temporary uncertainty on the future of public transport and mass rapid transit investment (previous name of activity was LGWM)		✓
		Paneke Pōneke		In Q2 traffic resolutions were approved for two projects in the central city and Karori. Construction planning for a further two projects commenced with delivery due to start in Q3. Changes to public road space allocation require significant community engagement and a strong focus on the “why”.	✓	
		EV charging stations		2 chargers installed in Q2 (at Worsler Bay). Note that the easy locations have been progressed first, and future sites may be more challenging. At least 20 new chargers across ten sites will be submitted for Council approval in April, with installation planned for May/June.	✓	✓
		Practical support to shift travel habits, from advice to minor works		Continued mahi in progress with existing programmes including working with schools and workplaces, team working collaboratively with GWRC. Ongoing support for the roll out of Paneke Pōneke made possible through DIA Better Off funding.	✓	
<b>Building energy</b>	Support building owners to upgrade to a higher standard than the Building Code, creating warmer, drier homes that use less energy.	Home Energy Saver		Requests for assessments are down, reflecting current economic conditions – have implemented a renewed focus on advertising. Programme is not proposed to be continued in the 2024 LTP.	✓	
		Environmental and Accessibility Performance Fund		Three current applications for \$2.5m in total. Two other potential applications (amount unknown). Programme may not be continued in the same form in the 2024 LTP.	✓	✓

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Absolutely Positively  
Wellington City Council  
Me Heke Ki Pōneke

Te Atakura – First to Zero						
Action areas	Purpose	Programme / activity	Q2 Progress	Comments	Contribution to reduction targets	
<b>Become a net zero-carbon city</b>						
<b>City-wide initiatives</b>	Inspire and encourage businesses, communities and individuals to take climate action.  Partner with mana whenua on climate action.	Supporting community and business led climate action planning		Let's Talk Shop – planning underway for three more cohorts in Q3/Q4. Zero Together – two cohorts were run in Q2 with 19 attendees, delivered by four new community facilitators. Eleven community facilitators are now available to run future courses, nine having come through the course. Initial discussions underway about co-developing 1 hour sessions, which may be more attractive to workplaces (sessions are currently 2 hrs each). Initial gathering of 'alumni' held in November. Community climate plans – first plan underway with Ngaio Crofton Downs Climate and Sustainability Fund – \$196,427 of \$250,000 allocated in the first round; a second round to open in Feb/ Mar 2024	✓	
		Support for sector transition planning		Internal team set up across Waste, Economic Wellbeing and Climate Change Response.	✓	✓
		Climate action education campaign		Project discontinued and reframe underway.		
		Climate action focused community engagement		Looking to use a greater proportion of the DIA Better Off funding on practical support for community climate action across mitigation and adaptation, in alignment with the terms of our funding agreement.	✓	
<b>Advocacy</b>	Encourage stronger climate action from central and regional government	Submissions		Submitted on central govt inquiry into Community-led Managed Retreat and Funding in October. Looking forward to this work continuing under the new government. Focus on growing relationships with officials.	✓	✓
		Regional projects		The regional emissions reduction project was presented to the WRLC in November and was positively received. Reaching agreement across the regional leadership committee members is key to success.	✓	✓

Te Atakura – First to Zero				
<b>Become a net-zero carbon Council</b>			<b>Q2 Status</b>	
<b>Council</b>	Integrate climate considerations into Council decision-making	Carbon accounting		FY23 accounts complete and audited. Emissions Reduction Plan (ERP) approved. Application submitted to LGFA for a Climate Action Loan which will give a discount on Council’s debt as our debt terms roll over.
		EV Fleet		69 of Council’s 78 passenger vehicles are now EVs or PHEVs (89%). Investigating opportunities for transitioning remaining vehicles and equipment over to battery electric.
		Carbon forestry		Transferred all WCC PFSI forestry credits into the new ETS PP89 permanent category
		Climate Smart Buildings and Infrastructure		Project has been incorporated into Council ERP.
<b>Adapt to the impacts of climate change</b>			<b>Q2 Status</b>	
<b>Understanding the problem</b>	Develop the insights required to plan next steps for Council assets and broader City adaptation.	Wellington Regional Climate Change Impact Assessment		The draft of the report for the Wellington Regional Climate Change Impact Assessment has been received. The final report is expected to be public in July 2024 after being endorsed by the Wellington Regional Leadership Committee.
		Climate-related Disclosures		Council’s first TCFD Climate Risk Assessment Report was completed in November 2023. On track for incorporation of key insights into the 2024 Long-term Plan.
<b>Council’s strategic approach to adaptation</b>	Develop a strategic approach that allows us to respond proactively and with agility	Internal policy work building on the Resilience Strategy		A few elements of strategic advice to embed climate risk management and adaptation planning has been provided to key Council projects including the Infrastructure Strategy; Let’s Get Wellington Moving; Growth Plan; and draft Coastal Management Strategy.
<b>Working with communities</b>	Enable community participation adaptation decision-making	Bloomberg Project		The first prototype was developed and tested with over 600 members of the public. Project won an award in Seoul for city innovation. The next step will be to develop and test a second version of the prototype by end of June 2024 as part of Council’s wider public education activities on climate change risks and adaptation.
		Climate Adaptation Community Engagement Roadmap		Approved in April 2023. Phases 1 and 2 are concurrently being delivered. This includes climate risk assessments, partnerships with mana whenua on adaptation planning, as part of Community Climate Conversations.
		Community Climate Conversations		Webinar held end of July. Conversations started with a variety of community groups in Wellington City, Linden, Vogelmorn, and Ngaio, as well as with universities, the theatre sector, and rangatahi groups.
<b>Advocacy</b>	Encourage the faster development of policy clarity	Influence government policy		Council submitted on the Government’s Community-Led Retreat & Adaptation Funding Issues & Options Paper and the draft National Policy Statement on Natural Hazard Decision-Making in November 2023.  All three EDS working papers are complete – the final paper Aotearoa New Zealand’s Climate Change Adaptation Act: Building a Durable Future, Options and Models for Managed Relocation Policy, Working Paper 3 was published December 2023.

Te Atakura – First to Zero		
<p><b>Te Anamata ā-Kai o Tō Tātou Tāone - Our City's Food Future Action Plan</b></p> <p>Overall health and progress status is reported as AMBER</p> <p>In Q2 FY23-24, progress was achieved, particularly in Focus areas 1, 3, and 4 of Te Anamata a-kai o Tō Tātou Tāone. Several initiatives were delivered to bolster food knowledge and skills within the community. Notably, the Zero Together workshops aimed to inspire and educate individuals on sustainability topics, complemented by the Seeds to Feeds and Garden to Table contracts, which gave funding to supporting community-led initiatives to empower people, including children, to cultivate, cook, and share their own food. Moreover, collaborative efforts were started to co-create enhancements to Wellington's food system, including supporting food spaces in social housing and ensuring day-to-day coordination for food security among service seekers. These endeavours were aimed at fostering diversity in food harvesting, making, and sharing within neighbourhoods, with impactful campaigns like Local Food Week, Neighbours Aotearoa, and the Seeds to Feeds project serving as catalysts.</p>		
Strategy actions	Q2 Status	Comment
1.1 Motivate and resource people with the skills and education to increase their knowledge around food.	On track	<ul style="list-style-type: none"> <li>Two new Zero Together workshop series delivered in Q2 FY23-24</li> <li>Seeds to Feeds Contract funding for delivery of Local Food Week and facilitating community-led events.</li> <li>Garden to table contract funding for delivery of their programme that empower Tamariki to develop skills and knowledge for growing and cooking their own food.</li> </ul>
1.2 Co-create improvements to Wellington's food system for providing day-to-day support	On track	<ul style="list-style-type: none"> <li>Initiating a social housing funding model in collaboration with Climate Change Response and Te Toi Mahana to support activating food spaces.</li> <li>Continuing day-to-day coordination with agencies to ensure food security for service seekers.</li> </ul>
1.4 Increase the diversity of people involved in harvesting, making, and sharing food in neighbourhoods	On track	Seeds to Feeds and local food week encourages more people to get involved in harvesting, making, and sharing food in neighbourhoods.
2.1 Benchmark Wellington's emergency response	On track	<ul style="list-style-type: none"> <li>Coordination started with WREMO on benchmarking Wellington's emergency food response and scoping this work for Q3-4 FY23-24</li> <li>Seeds to Feeds Contract funding for delivery of community resilience and preparedness.</li> <li>Much of this work will progress in Q3/Q4</li> </ul>
3.1 To uphold the mana of Te Ao Tūroa (the natural world)	On track	Community Composting Hubs Trial established 2 new hubs to begin operation in Q3-4
3.2 Support existing initiatives and continue to grow Māori Mahi Kai capacity and leadership in Te Whanganui-a-Tara Wellington	On track	Coordinating with Climate Change response to align to Mana Whenua Engagement Strategy – Kai Sovereignty Network to be scoped and initiated in Q3/Q4
3.3 Showcase and share information, pūrākau (narratives), and experiences about Māori kai sovereignty practices and current success stories	On track	<ul style="list-style-type: none"> <li>Developing comms campaign for Local Food Week and Seeds to Feeds</li> <li>Garden to Table programme that showcase and share information about Māori kai sovereignty practices a promotes Māori narratives and experiences related to kai.</li> </ul>

Te Atakura – First to Zero		
<b>Te Anamata ā-Kai o Tō Tātou Tāone - Our City's Food Future Action Plan</b>		
4.1 Investigate and implement models for citywide composting*	On track	<ul style="list-style-type: none"> <li>Composting Hubs trial made progress on establishing 2 new locations.</li> <li>See Zero Waste Strategy and Waste Minimisation reporting for more detail on Q2 progress</li> <li>Seeds to Feed work includes diverting food waste from landfills to composting, which contributes to a more climate-responsible food system.</li> </ul>
4.4 Take what you need, share any extra	On track	<ul style="list-style-type: none"> <li>Neighbours Aotearoa campaign for GROW Pōneke combined with Seeds to Feeds in order to promote sharing and more involvement by local communities in sharing healthy food with each other.</li> <li>Through the Seeds to Feeds contract, we provide community members with the skills they need to grow things to share, preserve and prepare food, and share their surplus.</li> </ul>

### Strategy for Children & Young People

**Vision:** We support the wellbeing of children and young people in Wellington through the unique features of our place and qualities of our people. We want our children and young people to feel connected to Pōneke with a strong sense of belonging – helped by visible stories of mana whenua and Māori and celebrating the diverse Pacific and other cultures and communities living here.

**Summary status:**

**Overall health and progress status is reported as AMBER**

The implementation of the Children and Young Persons Action Plan has faced challenges. Covid-19, organisational capacity, resourcing, and staff turnover have been the main issues. Of the 71 actions, 9 actions have been completed, 56 are progressing and 7 have not yet started with a number to be completed by August 2024 with the exception of actions that specifically involve construction or have not yet been assigned. A refresh of the action plan will be completed in 2024. This refresh will re-engage key teams across the organisation and will focus on ensuring that actions captured can be resourced and implemented effectively, and will seek to embed the intentions of the Children and Young Person Strategy through all the work we do at Council.

**Background:**

The Children and Young People Strategy was adopted on August 5, 2021. It includes an action plan aimed at improving the Council’s existing work programme and implementing new initiatives, such as the development of a youth hub in the central city. The action plan is assigned an indicative timeframe of 1-3 years, running from August 2021 to August 2024. The action plan comprises a list of 72 actions categorised into six focus areas.

**Connection to other strategies:**

The Children and Young People Strategy aligns to the Long-Term Plan (LTP) Community Outcome area, Social Wellbeing – a city of health and thriving whānau and communities, and is connected to two of our LTP approaches, making our city accessible and inclusive for all and engaging our community. While not directly connected to any of the 2024 strategic priorities, the priorities of young people outlined in the Children and Young People Strategy are present in most of the LTP strategic priorities.

There is strong alignment with the Tūpiki Ora Māori Strategy with 83% of updated actions identified as aligning with Tūpiki Ora, including the prioritisation of Māori wellbeing, engagement with Māori youth, promotion of Te Reo and engagement with mana whenua throughout development. The actions that didn’t show alignment either indicated future alignment when the timing is right or stated that the action was never in scope.

It is worth noting that the Children & Young People action plan was created before the Tūpiki Ora Māori Strategy was developed. We have also identified overlaps between some of the actions in the Children & Young People Strategy and the Tūpiki Ora Māori Strategy and recommend that actions are reported through only one strategy for consistency.

Additionally, there is strong alignment between the Children and Young People Strategy and the Council’s Social Wellbeing Framework and Te Whai Oranga Pōneke, the new Open Spaces and Recreation Strategy.

**Delivery and milestones by focus area**

Many actions continue to be marked as in progress, however, there have been significant milestones reached for each focus area. The status of the actions for each focus area and significant milestones are indicated below.

**Focus Area 1: Our Central City – “All children and young people feel safe in the city at any time of day” GREEN**

9 Actions Total – 2 completed, 5 in progress, 2 no update

- Milestone 1 – Island Bay, Cuba Street Playground and Frank Kitts Park have all had 2024 dates set for completion and opening, with Frederick Street Park starting construction in 2025. This investment into new high-quality play spaces create safe and attractive places for young people to reside in their city.
- Milestone 2 – In November the Courtney Place Precinct Plan was adopted by working with key stakeholders to deliver a Wellington at Night Plan. March 2024 will mark the beginning of the delivery of the supporting action plan.

**Focus Area 2: Hauora across the City – “Delivering spaces, places and programmes support the wellbeing of children and young people” AMBER**

22 Actions Total – 2 completed, 8 in progress, 11 not responded

- Milestone 1– In an effort to introduce a Wellington Zoo climate action focus through habitat design and learning sessions, over 5,000 students attended formal learning sessions at Wellington Zoo in November and December 2023.
- Milestone 2 – In response to the 2021 goal to create a space for young people to spend time, a central city youth hub space has been found on Willis Street. The new youth hub space, Te Tai Ohinga, will open in May 2024.

**Focus Area 3: The Basics – “Working with others to ensure access to food, safe and healthy housing and wrap-around support for homelessness” RED**

10 Actions Total – 1 in progress, 9 no update



**Strategy for Children & Young People**

- Milestone 1 – Youth accommodation provider challenges discussed at both MDT and Officers group, HUD confirmed the 2 funded providers of youth transitional housing. Team members also attended Maanaki Rangatahi Collective Hui, a nation-wide movement to support youth homelessness. This will be a key forum that the team will attend regularly in 2024 to collectively find solutions for youth housing in Pōneke. It appears that utilising both of these interagency groups to support housing for homeless youth with invested stakeholders is more beneficial and retains less risk than creating our own separate agency.

**Focus Area 4: You belong – “Wellington welcomes, celebrates and includes the diversity of all children and young people” AMBER**

12 Actions Total – 3 completed, 1 in progress, 2 on hold, 6 no update

- Milestone 1 – Stories in Our Wellington Summer Magazine were published in line with promoting Wellington as a family friendly city. Play areas and challenges, as well as family friendly events were promoted.

**Focus Area 5: Pathways – “Building life-long learners” GREEN**

8 Actions Total – 1 complete, 1 in progress, 1 on hold, 2 no update, 1 not yet started

- Milestone 1 – Our Harm Prevention team has spent time collaborating with stakeholders on student safety as part of the Wellington at Night Plan. There are safety plans over the summer season, including on O Week and Homegrown weekends that are in place to keep students safer. Take10 already has a very successful first site, but its second site pilot is expected to be up and running end of February – April.
- Milestone 2 – The Rangatahi Pathways started March 2023 and has successful engagement with high school Gateway coordinators.

**Focus Area 6: Participating in Change – “Young people taking on the world” AMBER**

11 Actions Total – 3 in progress, 1 on hold, 1 not yet started, 6 no update

- Milestone 1 – In October/November the CYS Coordinator ran the second digital literacy training round for staff (within the context of delivering programmes to children and youth). Topics included using VR Technology with Groups, and an Introduction to Robotics with NAO. Unfortunately there were fewer attendees than planned due to unavailability due to wellness cover, and the Introduction to Coding with Scratch and Python had to be cancelled for the same reasons. We aim to offer this again in 2024.
- Milestone 2 – Wellington Zoo has now increased our targets for our United Nations Sustainable Development Goal measures to 7,500 school children to be educated about climate change and action and 1,200 children learning about environmental actions.

**Overall health of the strategy:**

Completing actions for the Children and Young People Strategy is facing challenges across Council with capacity and budget constraints. There is a lack of clarity on who should be implementing some actions, as well as a lack of base strategy knowledge. The establishment of a baseline has indicated that a number of actions could be integrated into BAU Overall, the strategy has highlighted our focus and opportunities to better meet the needs and priorities of children and young people in the city. We expect many of the actions outlined in the action plan will be completed by August 2024 with the exception of actions that specifically involve construction or have not yet been assigned.

The strategy and associated action plan were deliberately ambitious and aspirational, however not all actions were allocated budgets and resource, and the capacity of the organisation to deliver against the plan alongside a range of new and competing priorities has been a challenge. A refreshed action plan, due to be completed in 2024 will focus on capturing actions that can be resourced and delivered. Appropriate governance, monitoring and oversight will be implemented to ensure that momentum is achieved and maintained.

Aho Tini – 2030 Arts, Culture & Creative Strategy				
<p><b>Vision:</b> What we will see - The rich cultural traditions and identity of our capital city inspire our exciting and innovative arts, culture and creativity. Wellingtonians can access and participate in arts and culture and explore their creativity. Together, in partnership with the arts, culture and creative sectors and with mana whenua and Māori, creativity, collaboration and innovation are woven through everything we do.</p>				
<p><b>Quarter 2 update:</b></p> <p><b>Overall health and progress status is reported as GREEN</b></p> <p>The strategy's focus is on ensuring that projects of scale are delivered with as much quality as possible for both the creative sector and for Wellingtonians. This has led to increasing engagement with the various projects in the Te Ngākau precinct as the centrepiece and "creative spine" of the city. In addition, twin drivers of engagement with mana whenua, and inclusion and diversity strategies as a whole influence the entire annual programme as well as funding creative sector organisations to enliven and enrich the cityscape and deliver economic and social outcomes. Summary of status for Q2 is shown below:</p>				
Programme / Activity	Focus Area	Action	Q2 Status	Comments
<p><b>Arts and Culture Fund</b> (\$209,322.00 distributed to 31 applicants in Oct)</p> <p><b>Multi-year funding:</b> \$398,978.05 was delivered to Multi-year organisations as part of their contracts this quarter.</p>	Aho Tangata	<b>Approach</b> Reflect the increasing diversity of our communities and encourage access to and participation in arts and culture.		October 'Arts and Culture' funding round – 12 successful applications aligned to Aho Tangata.
	Aho Hononga	<b>Approach</b> Partnerships with mana whenua or Māori connections with mana whenua.		October 'Arts and Culture' funding round – 2 successful applications aligned to Aho Hononga.
	Aho Whenua	<b>Approach</b> Our places, spaces connect venues with its users and wider community.		October 'Arts and Culture' funding round – 6 successful applications aligned to Aho Whenua.
	Aho Mahi	<b>Approach</b> Supporting career pathways for artists.		October 'Arts and Culture' funding round – 11 successful applications aligned with Aho Mahi.
Te Matapihi	Aho Tangata	<b>Partnership with mana whenua and Māori</b> 2. Increase Council cultural competency and capacity and ensure framework and structures are in place to enable correct and respectful use of tikanga.		Tikanga and kawa prioritisation and implementation into Te Matapihi operational design has been scoped in parallel with Mātauranga Māori strategy development.
	Aho Hononga	<b>Visible</b> 1. Work with mana whenua to develop a bold programme to highlight the visibility and intensify the experience of mana whenua creative practices, stories, history, te ao Māori and communities in places and spaces. <b>Working together</b> 6. Increase Council cultural competency and capacity and ensure framework and structures are in place to enable correct and respectful use of tikanga.		Co-commissioning with Mana Whenua co-design partners to expand involvement of Mana Whenua artists through the overall design and development of rawa.  Tikanga and kawa prioritisation and implementation into Te Matapihi operational design has been scoped in parallel with Mātauranga Māori strategy development.
	Aho Whenua	<b>Venues and audiences</b> 3.2. Explore how the creative sector can enhance the city's venues and facilities for the benefit of Wellingtonians: b) Focus on the Council's building and infrastructure programme including: iv. Te Matapihi ki te Ao Nui		Full engagement with Mana Whenua continues during the design and build phase of Te Matapihi. The venue has been developed in a way that reflects the cultural identity of Wellington and supports its creative sectors.
	Aho Mahi	<b>Our creative economy</b> 4.1. Create as many opportunities as possible for increased involvement by Wellington-based/affiliated creative sector artists and organisations in Council (and CCO) programmes and facilities, including those identified in other focus areas: a) In major builds including Te Matapihi ki te Ao Nui Central Library		Te Matapihi venue, and the services that will be provided within, are being designed to connect a wide range of Council (and CCO) programmes, and Wellington-based creative sectors.  Te Matapihi in itself will be an important attractor of visitors to Wellington CBD.
Re-Imagining Toi Pōneke	Aho Tangata	<b>Partnership with mana whenua and Māori</b> 1.1. Increase presence of ngā Toi Māori and te reo Māori in Council facilities and programmes <b>Diversity, access and inclusion</b> 3.b) Explore youth-led ways to listen to young people through the arts, build youth voice, and identity and nurture talents in conjunction with the Strategy for Children and Young People 4.a) increase presence of Pacific people's art and culture b) increase presence of under-represented and marginalised peoples' art and culture		Ngāti Toa, and Te Atiawa representatives are working with project team on the development of the Detailed Business Case.  Youth Council, emerging artists, Pacifica creatives, LGBTQI, participation in three wānanga covering current state analysis, long list options, and desired future state.
	Aho Mahi	<b>Our creative economy</b> 4.3. Further develop how Toi Pōneke Arts Centre can continue to support the arts and creative sector, including partnership and co-location opportunities, and support incubation opportunities and emerging artists.  <b>Sustainable careers</b> 5.a) Work collaboratively with the Wellington based tertiary creative sector education, training providers and other stakeholders to identify how to consider Māori and Pasifika development.		Following Toi Talks with wider Creative Sector, three wānanga were held with representatives from the Creative Sector and in partnership with mana whenua. Business Case development has seen the project team made up of internal and external members progress the Strategic and Economic cases.  Victoria University Te Herenga Waka; Massey University Te Kunenga Ki Pūrehuroa; Ngāti Toa Rūnanga engaged through Business Case development.

Aho Tini – 2030 Arts, Culture & Creative Strategy				
Programme / Activity	Focus Area	Action	Q2 Status	Comments
Digital Experience	Aho Whenua	<b>Intense, visible Wellington stories</b> 3.7. Explore options for a network of large-scale projection infrastructure and new technologies.		One site identified; technical options being developed.
	Aho Mahi	<b>Approach</b> Work with partners to build capacity, accessibility, availability and grow the arts and creative sector		Working with local technical experts to discuss infrastructure to enable digital artists to showcase their work.
Te Whakaatūranga o Te Aro Pā (115 Manners Street)	Aho Tangata	<b>Community vibrancy</b> 1.9 Provide opportunities for young people to be creative in empty spaces.		Digital activation of 115 Manners by Victoria University Te Herenga Waka.
	Aho Hononga	<b>Visible</b> 1. Work with mana whenua to develop a bold programme to highlight the visibility and intensify the experience of mana whenua creative practices, stories, history, te ao Māori and communities in places and spaces.		Pūrakau developed by Toa Waaka of mana whenua stories for use by Māori designers of 115 works.
	Aho Whenua	<b>Intense, visible Wellington stories</b> 7.b) mana whenua and Māori stories, history, te ao Māori and communities.		Two works shown at 115 Manners by Victoria University Te Herenga Waka.
Aho Hononga allocation	Aho Hononga	<b>Powerful</b> 5. Provide funding and support for ngā toi Māori and te reo Māori outcomes from the 10-year Māori Strategy.		Provision of \$50,000.00 to mana whenua iwi, Ngāti Toa Rangatira, to support the delivery of their cultural aspirations in the arts space. Significant milestone for Ngāti Toa was the exhibition delivered by Ngāti Toa titled 'Ngāti Toa a Te Whare o Waiōrangī'. This exhibition showcased the collaborative efforts of Ngāti toa tauira (students) tutored by senior Ngāti Toa Ringatoi (arts tutors) organised by the iwi and was the culmination of work created by Ngāti Toa students in three wānanga run by the iwi focusing on exploring and disseminating information on Ngāti Toa art practices. The students are now creating new works for a Matariki public exhibition.
	Aho Hononga	<b>Working together</b> 7. Develop guidelines for engagement and consultation with mana whenua and te ao Māori in arts and culture activities.		As part of the mana whenua ngā Toi framework project, research was conducted, and three case studies produced by an external contractor to inform artist-led wānanga that will discuss mana whenua artists working with Council. The resulting framework will incorporate clear guidelines on how Council can work effectively with mana whenua artists going forward.
	Aho Hononga	<b>Powerful</b> 5. Provide funding and support for ngā toi Māori and te reo Māori outcomes from the 10-year Māori Strategy.		As part of funding and support for ngā toi Māori and mana whenua artists \$50k was paid to Taranaki Whānui as a contribution towards delivery of aspirations for their people in the arts space. An outcome of this is that Taranaki Whānui have completed three wānanga discussing what is needed in the arts for their iwi. This will be important for all artforms of ngā toi Māori. It is the way forward for the future of Māori arts in Pōneke. The new representative for Aho Hononga is Te Whatanui Winiata (new chair of Port Nicholson Trust) He is across various workstreams and is replacing Len Hetet. We are now working with Te Whatanui Winiata in this as well as Reimagining Toi Pōneke.
Venues Review	Aho Whenua	<b>Venues and audiences</b> 1.1 Improve access and enhance infrastructure to enrich audience, community, and creative sector development.		Report from consultants completed. Commencing work on costing out recommendations for final proposals to Council by June 2024.
	Aho Mahi	<b>Approaches</b> Work with partners to build capacity, accessibility, availability, and grow the arts and creative sector.		Report from consultants completed. Commencing work on costing out recommendations for final proposals to Council by June 2024.

Aho Tini – 2030 Arts, Culture & Creative Strategy				
Programme / Activity	Focus Area	Action	Q2 Status	Comments
Toi Pōneke	Aho Tangata	<p><b>KPI:</b> By 2026 Toi Pōneke will deliver:</p> <p>A: &gt;30% of programming across exhibitions and related public programmes from Māori, Pacific peoples and minority groups.</p> <p>b. &gt;30,000 visitors per annum</p> <p><b>Diversity, access and inclusion</b></p> <p>3.a) design an approach to increase accessibility and inclusion with sector partners.</p> <p>3.c) build Council cultural competency to interact confidently and competently with the diverse communities we serve.</p> <p>4.b) increase presence of under-represented and marginalised peoples' art and culture</p>		<p>a. 3/5 exhibitions and 5/9 programmes were delivered by or included. 57% YTD.</p> <p>b. 9,589 visitors quarter two.</p>
	Aho Hononga	<p><b>Visible</b></p> <p>2.1 Work with mana whenua to develop a bold programme to highlight the visibility and intensify the experience of mana whenua creative practices, stories, history, te ao Māori and communities in places and spaces.</p>		<p>Staff worked with disability advisors to make the application process for the d/Deaf &amp;/or Disabled Artist Residency as broadly accessible as possible. This upskilling has flowed on into other areas of Toi Pōneke's operation.</p> <p>An exhibition held this quarter featured artists from the Korean New Zealand community, and introduced the traditional Korean textile artform, bojagi, to a new audience.</p> <p>Support to Principal Advisor Culture and Inclusion and marketing teams to develop council online platform pilot for LGBTQi stories</p> <p>Staff began work with mana whenua towards an exhibition coinciding with Matariki 2024.</p>
	Aho Whenua	<p><b>Venues and audiences</b></p> <p>3.1 Improve access and enhance infrastructure to enrich audience, community and creative sector development.</p>		<p>A total of 9,589 visitors attended Toi Pōneke this quarter.</p> <p>Three exhibitions were held, accompanied by three public opening events, and 6 public programmes offering a combination of artist talks, tours and workshops covering a variety of artforms.</p>
	Aho Mahi	<p><b>Sustainable careers</b></p> <p>5.a) work collaboratively with the Wellington-based tertiary creative sector education, training providers and other stakeholders to identify how to:</p> <p>iii. provide opportunities and support for artists to take risks and explore boundaries across the arts spectrum.</p> <p>5.b) consider how to support:</p> <p>i. greater participation and accessibility initiatives</p> <p>ii. targeted disabled artist and sector development</p>		<p>Foundations were laid for 2024 internship series matching student writers with artists, in partnership with Te Herenga Waka VUW.</p> <p>Ben Leonard took up the 2023 Sound Art Residency, offered in partnership with the New Zealand School of Music. Ben is focusing his practice on ambisonics and spectral techniques.</p> <p>Toi Pōneke provided the opportunity for a studio artist to develop and deliver the pilot for a future series of mess painting workshops.</p> <p>The d/Deaf &amp;/or Disabled Artist Residency was advertised and awarded in this quarter, with the selected artist expected to be in residence in early 2024.</p> <p>The annual resident artists exhibition, Toi 500, sought to boost the profile and sales of Toi Pōneke-based artists.</p>
Signature Events: Christmas in the Quarters; New Years Eve	Aho Tangata	<p><b>Approach</b></p> <p>Enhance local vibrancy for, and with communities in the central and neighbourhoods.</p>		<p>Final event in Christmas in Quarters was rain and wind affected, severely reducing attendance. 6500 across four weekends.</p>
	Aho Whenua	<p><b>Approach</b></p> <p>Our places, spaces and venues – our city is alive.</p>		<p>Over four weekends Christmas in the Quarters activated Midland Park, Glover Park, Queens Wharf Plaza, and Waitangi Park.</p>
		<p><b>Approach</b></p> <p>Our places, spaces and venues – our city is alive.</p>		<p>New Years Eve celebration at Wharepo Lagoon, attracted a record crowd of 16,000.</p>
Aho Mahi	<p><b>Our creative economy</b></p> <p>4.1 Create as many opportunities as possible for increased involvement by Wellington based/affiliated creative sector artists and organisations.</p> <p><b>Our creative economy</b></p> <p>4.1 Create as many opportunities as possible for increased involvement by Wellington based/affiliated creative sector artists and organisations.</p>		<p>215 performers and crew contracted for Christmas in the Quarters.</p> <p>121 performers and crew contracted for the New Years Eve celebration.</p>	
Partnership Events:	Aho Whenua	<p><b>Venues and audiences</b></p> <p>3.1 Improve access and enhance infrastructure to enrich audience, community and creative sector development.</p>		<p>280 guests celebrated the 50<sup>th</sup> anniversary from around the motu.</p>
Hannah Playhouse 50 <sup>th</sup> Celebration	Aho Whenua	<p><b>Approach</b></p> <p>Reflect the increasing diversity of our communities and encourage access to and participation in arts and culture.</p>		<p>Diwali attracted 20,000 attendees at TSB and Shed 6.</p>
Diwali				
Programme / Activity	Focus Area	Action	Q2 Status	Comments
Community Events:	Aho Tangata	<p><b>Approach</b></p> <p>Reflect the increasing diversity of our communities and encourage access to and participation in arts and culture.</p>		<p>10,500 attendees across all events</p>
Namaste day Fest; Brooklyn Twilight Festival; Polish Christmas Market; Kilbirnie Christmas Picnic	Aho Whenua	<p><b>Approach</b></p> <p>Our places, spaces and venues – our city is alive.</p>		<p>10,500 attendees across all events</p>

He Rautaki Ōhanga Oranga Economic Wellbeing Strategy		
<p><b>Vision:</b> Wellington is a dynamic city with a resilient, innovative and low waste, low carbon circular economy that provides opportunities for all and protects and regenerates our environment</p>		
<p><b>Summary status:</b>  <b>Overall health and progress status is reported as GREEN</b></p> <p>Six of the Economic Wellbeing Strategy outcomes continued to be a priority focus for Q2 with work progressing on the City in Transition plan including the Development Response Plan and the Positively Pōneke Campaign that aim for effective infrastructure coordination and city project promotion.</p> <p>Alongside this, the Courtenay Place precinct plan, the first city precinct plan, was presented to Council in Q2 outlining a vision for revitalisation of this precinct. The plan includes the development of investment prospectuses for commercial partnerships, and a comprehensive action plan for initial project delivery in Q3 2024, focusing on shopfront beautification, creative lighting, cleaning, and public space upgrades.</p> <p>Broader economic challenges include a constrained economic environment impacting conference/meeting cancellations due to the national election. Nevertheless, Wellington is rebounding from Covid-19, highlighted by positive CCO reports on visitation and events.</p> <p><b>Highlights:</b></p> <p>Courtenay Place precinct plan released: developed in collaboration with local businesses and residents, the Courtenay precinct plan was presented to elected members, Council Executive Leadership Team and stakeholders in Q2. This sets out a vision and a clear pathway forward to revitalise the area as Wellington's 'premier place to play'. Over 40 business engagements contributing to the development. As part of this, a second central city community clean-up was held, with over 40 participants picking up 26kg of rubbish and giving the area a scrub ahead of the busy festive period.</p> <p>Major events deliver for Wellington: World of WearableArt, Wellington On a Plate, Beervana and the Wellington Jazz Festival all occurred in Q2, and a new event On a Good Day festival held across three days at Anderson Park.</p> <p>CCO 22/23 Annual Reports highlight how Wellington is bouncing back from Covid-19: CCO's 22/23 Annual Reports were positively received by Council in early December. Their performance provided a window into how Wellington is building back from Covid-19. This was highlighted by the ongoing rebound in domestic and international visitation (in particular cruise ships) and a strong events programme.</p> <p><b>Challenges:</b></p> <p>Conference and Meeting Cancellations: the national election and corresponding change in Government resulted in government departments and some private sector organisations not holding or cancelling conferences and meetings during Q2. This impacted our venues.</p>		
<p><b>Outcome 1: Sustainable business and career pathways</b>                      We aim to enable Wellingtonians to have equal opportunities to find meaningful, fairly paid and inclusive work</p> <p><b>RAG status: GREEN</b></p> <p><b>Summary:</b>                      A fulsome report on activity under this outcome will be covered in upcoming CCO reporting due end of February.</p>		
Programme	Q2 progress	Comments
Supporting the Young Enterprise Scheme (YES) programme		<p><b>Action 1.2.7 Inspiring young people</b> YES Wellington ran a successful programme with 263 young Wellington Rangatahi across 10 participating schools taking part in the programme. The YES programme in Wellington is continuing to grow increasing on 2022 by approx. 15% in student participants. Pasifika enrolments number have increased from 8.2% in 2022 to now 2023, 14.7%. The National finals were held in December with a Wellington student awarded two the National Excellence awards.</p>

He Rautaki Ōhanga Oranga Economic Wellbeing Strategy		
<p><b>Outcome 2: Transitioning to a zero-carbon circular economy</b> We aim to be regenerative by design</p> <p>RAG status: <b>GREEN</b></p> <p><b>Summary:</b> Te Atakura have engaged consultancy BECA to develop a circular economy model aligned with Council’s objectives. Wellington is planning a hospitality programme following a successful sustainable tourism initiative. Notably, Tākina hosted 70 events, and 27 cruise ships visited Wellington.</p>		
Programme	Q2 progress	Comments
Circular Economy		<b>Action 2.1.1 Co-create business sector plans</b> In 2023, EY produced a report mapping emissions against five key priority sectors. Subsequently BECA have been engaged to map the material flows across each sector, as well as provide the framework for decision making on which target sector best aligned to Council’s strategic objectives will be the area for a circular economy model to apply, including internal Council procurement processes. This work is currently underway. A more fulsome update will be provided through Te Atakura reporting in due course. Additionally, Wellington NZ are in the planning stages for a Sustainable Hospitality programme for 2024 targeting food waste and supply chain procurement. This follows from the successful Sustainable Tourism programme ran in partnership with Tourism Industry Association in 2023. This refers also to the Destination Management action 2.2.7 below.
Wellington Business Events		<b>Action 2.2.6 Business event plan</b> Business event attraction plan is operationalised, Tākina hosted 70 events including 38 multi-day conferences with an average attendance of 442 delegates.
Destination management programme		<b>Action 2.2.7 Destination Management</b> Cruise ship visitation began in Q2 with 27 ships and more than 58,000 passengers visiting Wellington to end December. A notable event was the absence of Ovation of the Seas with over 4,000 passengers in late November which was unable to disembark into Wellington due to high winds.
<p><b>Outcome 3: A Business-Friendly City</b> We aim to be Aotearoa New Zealand’s city partner of choice for businesses, investors and developers</p> <p>RAG status: <b>GREEN</b></p> <p><b>Summary:</b> The business engagement programme continues with both the externally facing Central City Manager and the Business Support Service Manager (WellingtonNZ) supporting internal customer-centric programmes of work. Activity relating to this outcome are also reported elsewhere including CCO reporting and International Relations.</p>		
Programme	Q2 progress	Comments
Building relationships		<b>Action 3.1.2 Building business relationships</b> The central city business engagement programme is ongoing with regular engagement via the Central City Manager role, project specific engagement (refer to Outcome 6, Action 6.2.9 below) and in the last quarter specific business engagement relating to the Toomath’s fire and demolition response.  In October 2023 the Mayor hosted the second central city hospitality hui supported by the Economic Wellbeing team and in December the sixth quarterly business breakfast hui was held. These hui are well attended with good representation and received positively by the business community.
		<b>Action 3.1.3 Nurture small businesses</b> Refer to Outcome 6 City in Transition update details below.
		<b>Action 3.1.4 Become Customer-Centric</b> Ongoing, no specific updates for this report.

He Rautaki Ōhanga Oranga Economic Wellbeing Strategy		
<p><b>Outcome 4: Centre of Creativity and Digital Innovation</b> We aim to be Aotearoa New Zealand’s center for creativity and innovation</p> <p>RAG status: <b>GREEN</b></p> <p><b>Summary:</b> Work against this outcome is ongoing with no specific evaluations available to report this quarter. Reporting on activity against this outcome will be provided in upcoming CCO reporting and the next Economic Wellbeing Strategy report.</p>		
Programme	Q2 progress	Comments
Scale up tech businesses		Action 4.1.1 Nurture small businesses - The New Zealand Game Developers Conference 2023 and Semi Permanent Aotearoa 2023 occurred in Q2. Evaluation reports are pending for both these events and will be reported on at the next update.
<p><b>Outcome 5: Celebrating our Capital City Status</b> We aim to raise the profile of our Capital City</p> <p>RAG status: <b>AMBER</b></p> <p><b>Summary:</b> This outcome is currently de-prioritised due to resource constraints, however work attributed to other outcome areas contribute to raising the profile of Wellington including Business Events Wellington (via Outcome 2) and ongoing partnerships (via economic funds).</p>		

He Rautaki Ōhanga Oranga Economic Wellbeing Strategy		
<p><b>Outcome 6: A dynamic city heart and thriving suburban centers</b> We aim to be a compact city with a dynamic CBD and thriving suburban centers that are economically productive.</p> <p>RAG status: <b>GREEN</b></p> <p><b>Summary:</b> In Q2 the Development Response Plan has been put into operation with the Network Activity Planning process ensuring effective infrastructure coordination across Council and private sector/commercial partners. The Positively Pōneke Campaign has been developed actively promoting city projects through various media channels including outdoor and digital channels.</p> <p>Positive responses to the Courtenay Place Precinct Plan have led to the development of investment prospectuses, with initial project delivery scheduled for Q3 2024. Focus areas include shopfront beautification, creative lighting, cleaning, and public space upgrades.</p>		
Programme	Q2 progress	Comments
		<p><b>Action 6.2.14 Development response plan</b></p> <ul style="list-style-type: none"> <li>The Network Activity Planning process is underway, with monthly meetings chaired by Council’s Transport and Infrastructure team with good representation from across partners with projects both planned and underway occurring in various city precincts</li> <li>This process enables Council to effectively manage, coordinate and prioritise infrastructure works across a range of public and private operators</li> </ul> <p><b>Business Engagement</b> The Business Support Service via WellingtonNZ is operationalised with the following engagement to date:</p> <p><i>Courtenay Place</i></p> <ul style="list-style-type: none"> <li>Between October and December 2023 the Business Support Manager met with 50 businesses</li> <li>Three drop-in sessions were held with attendance growing from 8 to 21 people in attendance</li> <li>The Business Support Manager maintains regular contact with businesses in this area and has one to one sessions where these are requested</li> </ul> <p><i>Thorndon Quay Hutt Road</i></p> <ul style="list-style-type: none"> <li>Initial engagement with businesses was put on hold in December 2023 at the instruction of the LGWM team due to uncertainty with the future of the programme</li> <li>Engagement will restart with “one to some” capability building support sessions in addition to 'one to one' support from March this year</li> <li>The Business Support Manager is a key communications channel and works closely with the Central City Manager and other Council teams providing information and insight both internally and back to businesses.</li> </ul> <p><b>Positively Pōneke Campaign</b></p> <ul style="list-style-type: none"> <li>The Positively Pōneke information campaign is underway across a range of media, including:</li> <li>A refreshed page on wcc.govt.nz has been launched featuring a map of city works – link is <a href="#">here</a></li> <li>Microsite – work is underway to develop an easy to navigate site which will house information about city infrastructure works to help public and businesses with planning, due for launch May 2024</li> <li>Digital Media – in the October to December 2023 quarter, 94 social media posts related to Positively Pōneke were published with a reach of ~915k on Facebook alone, while 13 web stories were published with more than 7,200 page views</li> <li>Physical assets – examples of both generic and site-specific assets below are being rolled out across the city through to February.</li> </ul>
City precinct plans		<p><b>Action 6.2.9 Courtenay Place Precinct Plan</b></p> <ul style="list-style-type: none"> <li>Following the presentation of the Courtenay Place Precinct Plan to Council in November 2023, external engagement on the plan continues with businesses and stakeholders in the precinct. Response has been strongly positive with the private sector engaged and ready to collaborate on delivery.</li> <li>As part of this, a second central city community clean-up was held, with over 40 participants picking up 26kg of rubbish. An article was published online and in print by the Post, and the video produced for social media accrued over 800k views and 237 comments across all channels.</li> </ul> <ul style="list-style-type: none"> <li>Investment prospectuses are in development to capitalize on commercial opportunities in this area and internal working groups have been established to support agile delivery including on shopfront beautification, creative lighting, targeted cleaning and tactical public space upgrades in the short term. Initial project delivery will begin in Q3 2024.</li> </ul>



## Appendix 2: Wellington Water Limited (WWL) Quarter Two Report



### Q2 Performance Report 2023/24

This quarterly consolidated report draws together information from established reporting and dashboards. The purpose of this report is to provide the Wellington City Council (the Council) with a high-level overview of Wellington Water’s quarterly performance.

#### Non-financial performance

##### Performance against Long-term Plan

As at the end of Q2 (1 October – 31 December 2023) our performance against the targets both the mandatory measures set by the Department of Internal Affairs (DIA) (25) and through the Council Long-term Plan (6):

- 19 DIA and 5 LTP measures are on track to be **achieved**.
- 10 DIA measures are **not achieved**.
- 1 DIA measure is not due for reporting.
- 1 LTP measure is not reported by WWL (customer satisfaction with stormwater).

For more information on these measures refer to the table below.

DIA Measure	Target	YTD Result	Commentary
The extent to which the local authority’s drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	Complaint	Complaint for WCC	For the purposes of DIA reporting for Wellington City, we are reporting compliant as there is sufficient contact time for all customers except those nearest the treatment plant in Lower Hutt. For more information see “Compliance with Drinking Water Standards” section on page 4.
The extent to which the local authority’s drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Complaint	Complaint for WCC	For the purposes of DIA reporting for Wellington City, we are reporting compliant as there is sufficient contact time for all customers except those nearest the treatment plant in Lower Hutt. For more information see “Compliance with Drinking Water Standards” section on page 4.
<p>Note: Compliance with Drinking Water Standards</p> <p>Taumata Arowai’s new compliance rules took effect in November 2022. We now report on the Bacteriological and Protozoal requirements of the Drinking Water Quality Assurance Rules.</p> <p>These new rules introduced by Taumata Arowai require an increase to a value known as a ‘Ct’ (Contact Time) that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers. The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households.</p> <p>Wellington Water was advised recently that we will not receive an exemption from Taumata Arowai on this. Significant investment is required to return to compliance. Note that for the purposes of DIA reporting for Wellington City, we are reporting compliant as there is sufficient contact time for all customers except those nearest the treatment plant in Lower Hutt.</p> <p>Reporting to Taumata Arowai, and the company’s Statement of Intent measure, considers the whole scheme, including all 4 metropolitan councils and the bulk network managed by Greater Wellington Regional Council. As such, the company will be reporting that the metropolitan scheme (including Porirua, Upper Hutt and Wellington City) is non-compliant.</p>			
The percentage of real water loss from the local authority’s networked reticulation system*	<17%	N/A Annual target and result	
Median response time for urgent (drinking water) callouts*	≤60 mins	227 mins	Response and resolution times for urgent call-outs have deteriorated due to the volume and complexity of the faults. This is a reversal of the trend seen in other cities, where urgent response and resolution times have continued to improve over the past three years.
Median resolution time for urgent (drinking water) callouts*	≤ 4 hours	19.3 hours	

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Measure	Target	YTD Result	Commentary
Median response time for non-urgent (drinking water) callouts*	≤ 36 hours	948.4 hours	Despite a minor improvement to resolution times in Q2, we expect response and resolution times will generally continue to deteriorate until we are through the peak summer period, and until the backlog of work starts to reduce.
Median resolution time for non-urgent (drinking water) callouts*	≤ 5 days	56.1 days	
*Last year, we corrected an error in applying the DIA guidance to the methodology used to measure the attendance and resolution times for water supply and wastewater. Duplicate jobs have been excluded which, due to their treatment, had very low response times.			
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	≤ 20 complaints per 1000 connections (per annum)	10.4	The network is ageing, and the associated fault volumes are increasing
Average drinking water consumption per resident per day (includes leakage)	≤365L	414L	Per capita consumption across all councils in the metro area has continued to increase primarily due to leakage, but also due to high residential use relative to other cities in New Zealand.  We continue to promote increased investment in water loss activities and network renewals to bring down water loss to more sustainable levels, together with investment in water metering and additional source capacity work in the near future to better manage the increasing supply/demand balance risk.  We have implemented a strategy to address the risk of critical water shortage this summer and are currently in level two (of four) restrictions.
Dry-weather sewerage overflows	Zero per 1000 connections	1.2 / 1000 connections	Wellington City Council sets a target of zero dry-weather wastewater overflows. The result in Q2 has stayed stable at 0.6 overflows per 1000 connections. This follows a downward trend
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	Moa Point a “to-do” abatement notice in October requiring us to complete the first phase of the improvements to the inlet pumpstation. We have discussed this with GWRC who are comfortable with the next steps.
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	1	Moa Point received one infringement notice for non-compliant wastewater quality. Two each were received by WWL and Veolia.
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	
Median response time for wastewater callouts*	≤60 minutes	95 mins	We continue to exceed targets in attendance and resolution times due to an increase in work volume and funding and resourcing constraints. It also takes time to categorise the issue raised by the customer, often for example logged as a leak, but once on site is deemed a wastewater related issue. We are working through this with individual councils.
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	≤ 6 hours	5.3 hours	
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	9.8	
The number of flooding events that occurred throughout the year	≤2	0	

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Measure	Target	YTD Result	Commentary
For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.13	N/A - No flooding events	
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	
Median response time to attend a flooding event	<=60 mins	No flooding events	
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	5	
Water supply interruptions (measured as customer hours)	Monitor trend	0.3	
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	90%	93%	
Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	90%	97.5%	
Number of stormwater pipeline blockages per km of pipeline.	≤0.5	0	
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	≤0.8	0.16	
Residents (%) satisfied with the stormwater system	75%	WCC measure	

### Performance against Statement of Intent

Wellington Water sets performance measures through its Statement of Intent to address regional priorities for the Wellington Water Committee and the company. This year there are 15 measures.

As at the end of Q2 (1 October – 31 December 2023) company performance was:

- 7 are on track to be **achieved**.
- 5 are not achieved.
- 3 are **off track**.

For detailed information on measures that are off-track or not achieved refer to the table below

Measure	Target	YTD Result	Commentary
The yearly average level of fluoride leaving each Water Treatment Plant will be within the Ministry of Health guidelines (0.7-1.0ppm) 95% of the time	Achieved at all WTPs	95% compliance at Te Mārua only	We have not been able to meet the target at three of the four Water Treatment Plants, due to unexpected health and safety concerns and equipment issues. More suitable equipment has been ordered and will be available in the coming months
Compliance with Drinking Water Quality Assurance Rules (Treatment) for Metro Wellington	Compliant monthly (12/12 months compliant)	Non-compliant	See "Compliance with Drinking Water Standards" section above.
Compliance with Drinking Water Quality Assurance Rules (Treatment) for South Wairarapa	Compliant monthly (12/12 months compliant)	Ongoing non-compliance across SWDC	All water treatment plants in South Wairarapa remain non-compliant and significant investment is needed to bring these plants into compliance.

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Measure	Target	YTD Result	Commentary
We will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved (Zero enforcement actions)	30 infringement notices and 1 abatement notice	We continue to receive odour complaints relating to operations at the Seaview Wastewater Treatment Plant. In June we undertook an investigation into the causes. This resulted in a project to replace the biofilter media at the plant. This was completed in January 2024. The odour was particularly problematic while these improvements were underway, resulting in 26 infringement notices for odour. The plant is now operating as designed and the odour is mostly compliant, although we appreciate that it is still not at the standard that is acceptable to the community. Additionally, two infringement notices were received by WWL for non-compliant wastewater quality.  A "to-do" abatement notice was issued during Q2 requiring us to complete the first phase of the improvements to the inlet pumpstation. The abatement notice has been complied with and in discussions with comfortable with the situation. An infringement notice was also issued to WCC for non-compliant wastewater quality at Moa Point, along with two each for Veolia and Wellington Water.
The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve	<5.2 (+/- 2.5)	5.5 (+/- 2.5)	So far this year, there has been an increase in ILI alongside a rise in total current losses. However, a considerable degree of uncertainty persists until water meters are installed. It is important that we keep a significant focus on reducing water losses in the short, medium, and long-term to avoid acute water shortages.
We will complete all actions for the defined period set out in our Water Loss Reduction Plan	Achieved	Currently progressing 3/10 actions	We have developed and begun to implement a Metropolitan Water Loss Reduction Plan as one of the mechanisms to help reduce the risk of a water shortage this summer. The plan includes replacing pipes that are failing rather than simply fixing them, managing the pressure of the network and renewing service connections where leaks are likely to occur.  Out of this work we are seeing savings of approximately 720,000 litres of water per day. This is lower than the savings that we had anticipated at the beginning of the year and not enough to materially reduce the risk this summer. However, any water savings we can achieve is worth pursuing so we are continuing to develop the plan and progress actions on it.
Ratio of planned to reactive maintenance increases	> \$0.36:\$1	\$0.28: \$1	We have seen a reduction in the amount of planned maintenance activities compared to reactive maintenance activities so far this year.
Staff feel as if they understand water reform (staff survey)	> 61%	42%	Staff understanding of water reform has decreased in response to the change in Government and the repeal of Water Reform. Staff do, however, feel more supported by the organisation (73% against a result of 62% last year).

**Financial performance**

At the end of December, the Council's capital programme is tracking below the capital range (between \$51m and \$75m) with a forecast delivery of \$59m for the year against an agreed budget of \$59m.

Year to date actuals are \$32.4m against a budget of \$24.0m, the majority of this variance (\$2m) is in wastewater, comprised mainly of several smaller variances relating to projects in their early stages. There are two larger variances, and these relate to two of the projects under the CDB Wastewater Pump Station and Rising Main programme of works.

Year to date operational spend is 4% (\$0.9m) under budget, taking into account additional spend approved by the Council in December 2023. Savings from Wellington Water operations, including slower than planned recruitment and a reprioritisation of activities has resulted in a \$832k underspend in management and advisory services, redirected to support frontline works.

The full year forecast is 0.1% (\$0.1m) overspend, however, Wellington Water is committed to delivery of our services within the approved budgets. Work is underway to bring forecasts back to budget and to provide more clarity and assurance for Council.

For more detailed information see the attached Financial Dashboards and Major Projects Report. [Other information](#)

**Other Information**

**Customer Expectations**

There are a record number of customer jobs, with budget constraints and a tight labour market meaning that we are unable to address all issues in our network in a timely manner. At the end of December 2023, we had 5,620 open jobs across all councils (all water types), and 3,087 jobs across all three waters in Wellington City.

Jobs, and leaks, are primarily due to the age of the pipes. There is a significant backlog of renewals (replacing old pipes) across the region as investment into replacing pipes has historically not kept pace with the number of pipes nearing and exceeding the end of their operational lives.

## Quarterly Performance Report | Quarter 1 2023/24

The pipes in the region are aging at a faster rate than they are being replaced, and while that is the case, leaks and bursts will happen more frequently. When coupled with investment that cannot deal with the existing backlog, the number of open jobs will continue to increase at an accelerated pace. Deferring works increases the size of the backlog, while falling behind in renewals accelerates the speed at which that backlog builds up.

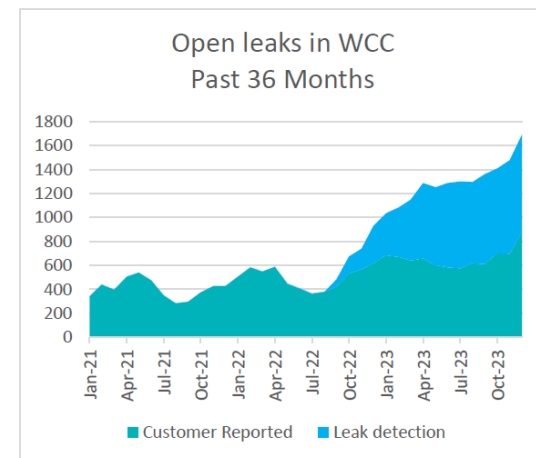
Customer satisfaction this quarter was 73%. This returns our customer satisfaction to 70%, within the target we set at the beginning of the year. This is in part due to improved customer service offerings, but also due to “urgent” work, which gets resolved faster, comprising a greater portion of the overall work. Historically, time to resolve customer issues is the biggest single driver of customer satisfaction.

### Leakage management

The number of open leaks in Wellington City grew to 1,690 by the end of the year (up 140 from Q1). The number continues to grow as the aging network of pipes deteriorates faster than the rate of pipe renewals, and while levels of proactive maintenance are constrained.

This has a direct impact on the ability of WWL to fix every leak that is reported. While we continue to prioritise jobs based on the volume of water being lost through leaks and the impact on the public, attending to the growing number of leaks will result in lower-priority leaks remaining open indefinitely. Coupled with longer periods of dry weather due to climate change, water loss has long-term implications for future water supply in the region.

Additional funding provided for fixing leaks has helped to slow the rate of increase in the backlog. Data and commentary on this progress will be provided at the end of the quarter.



### Business improvements

The focus is on delivering core services well and delivering any improvements within the funding available. The delivery of the business plan for the company focuses on priorities for the region and where to apply the most effort. For the first part of the year this has been on ensuring we are adequately prepared for the acute summer risk and preparing investment advice for our councils long-term planning for 2024-34.

### Health and Safety

For our work in Wellington City during Q2, a total of 293 reports were received across all categories, 238 of which were proactive. There were 60 critical risk related reports with the highest reported critical risk being Traffic/Pedestrian Movement (21). Vehicles/Mobile Equipment (16) and working near services (14) were the second and third reported critical risk. There were four medical treatment injuries, four first aid injuries and seven no treatment injuries.

### Risks Dashboard

Risk dashboards have not been provided to Council for the last two quarters as we have been focusing on management of the acute water shortage risk. These will resume in March.

### Appendix 3: Sustainable Development

The following table provides an overview of the alignment of Council's current LTP strategic activity areas with the relevant Sustainable Development goals, a key element of Te Atakura and the circular economy priority in the Economic Wellbeing strategy. The purpose of this alignment is to provide a framework for mapping changes across the city and informing decisions / actions that support sustainable development.

#### Sustainable Development (SD), Goals and Activity line-of-sight

A key focus for sustainable development includes addressing pressing community challenges, which include climate change, environmental degradation and related social and economic factors. Establishing line of sight between the Council's activities and relevant SD goals provides a framework to map local progress. These goals provide a comprehensive framework for promoting sustainable development across economic, social, and environmental aspects in relation to key WCC policies / strategies e.g. Te Atakura. The SDGs serve as both a blueprint and compass, guiding local action.

#### Council's role - descriptors

**Provider** - delivering services and managing assets  
**Advocate** - promoting the interests of the community to other decision makers and influencers  
**Funder** - Funding other organisations and individuals to deliver services  
**Regulator** - Regulating some activities through legislation

Activity area	Sub activity area	Activity area purpose	Aligned sustainable development goals (SDG) and contributing Council Activities	Likely Council's role	Scope
1. Governance	1.1 Governance, Information and Engagement	Facilitate democratic decision making to build trust and confidence	<b>SDG16 Strong institutions</b> 16.7 Ensuring responsive, inclusive, participatory, and representative decision making at Wellington City Council.	<b>Primary role:</b> Provider <b>Secondary role:</b> Advocate	City
	1.1 Governance, Information and Engagement	Provide open access to information to build trust and confidence	<b>SDG16 Strong institutions</b> 16.10 Ensure public access to information and protect freedoms of association at least in accordance with national legislation.	<b>Primary role:</b> Provider <b>Secondary role:</b> Advocate	City
	1.2 Maori and mana whenua partnerships	Develop, maintain and inspire meaningful relationships so that our partnerships with mana whenua, tangata whenua and Māori within our community are mana enhancing	<b>SDG11 Sustainable cities and communities</b> 11.4b Protecting and safeguarding Te ao Māori and te reo Māori.	<b>Primary role:</b> Regulator* <b>Secondary role:</b> Provider** <i>* Regulator - WCC has control of city signs and interpretation</i> <i>** Provider because of WCC's responsibilities under Tākaia Here</i>	City and Region
2. Environment	2.1 Gardens, beaches and green open spaces	Provide access to green open spaces and enhance biodiversity to improve the quality of our natural environment	<b>SDG15 Life on Land</b> 15.9 Integrating ecosystem and biodiversity values into local planning and development processes, and advocate for their integration at regional and national levels <b>SD11 Sustainable cities and communities</b> 11.7 Providing access to safe, inclusive and accessible, green and public spaces for all, including women and children, older persons and persons with disabilities.	<b>Primary role:</b> Provider <b>Secondary role:</b> Advocate <b>Primary role:</b> Provider <b>Secondary role:</b> N/A	City and Region City and Region
	2.2 Waste reduction and energy conservation	Reduce our impact on the environment by minimising and managing the disposal of waste and by reducing our carbon footprint	<b>SDG12 Responsible consumption and production</b> 12.5 Reducing waste generation through prevention, reduction, recycling and reuse.	<b>Primary role:</b> Provider <b>Secondary role:</b> Funder	City
	2.3 Water network	Increase the security of potable and stored water	<b>SDG6 Clean water and sanitation</b> 6.1 Achieving universal and equitable access to safe and affordable drinking water for all.	<b>Primary role:</b> Regulator <b>Secondary role:</b> Funder	City and Region
	2.4 Wastewater	Provide safe and sanitary removal of wastewater	<b>SDG6 Clean water and sanitation</b> 6.5 Integrated water resources management at all levels, (including through transboundary e.g. regional) cooperation as appropriate.	<b>Primary role:</b> Regulator <b>Secondary role:</b> Funder	City and Region
	2.5 Stormwater	Protect people, property and the environment from flooding and storm runoff	<b>SDG11 Sustainable cities and communities</b> 11.3a Sustainable urbanisation and a quality built urban environment.	<b>Primary role:</b> Regulator <b>Secondary role:</b> Funder	City and Region
	2.6 Conservation attractions	Protect flora and fauna through conservation and biodiversity	<b>SDG15 Life on land</b> 15.1 The conservation, restoration and sustainable use of terrestrial and freshwater ecosystems and their services, in line with obligations under international agreements.	<b>Primary role:</b> Regulator <b>Secondary role:</b> Funder	City and Region

Activity area	Sub activity area	Activity area purpose	Aligned sustainable development goals (SDG) and contributing Council Activities	Likely Council's role	Scope
3. Economic development	3.1 City promotions and business support	Grow tourism spend and economic returns from events that bring visitors and extra spending to the city	<b>SDG8 Decent work and economic growth</b> 8.2 Developing economic productivity and growth through a particular focus on innovation in creative, knowledge, and visitor economies that support a low-carbon economy. 8.9 Sustainable tourism that creates local jobs and promotes local culture and products.	<b>Primary role:</b> Funder <b>Secondary role:</b> Funder	City and Region  City
			<b>SDG11 Sustainable cities and communities</b> 11.3b Ensuring human settlement planning and management is inclusive, integrated and participatory. 11.4b Protect and safeguard Te ao Māori and te reo Māori.	<b>Primary role:</b> Regulator <b>Secondary role:</b> Provider <b>Primary role:</b> Regulator <b>Secondary role:</b> Provider	City  City
5. Social and Recreation	5.1 Recreation promotion and support	Encourage active and healthy lifestyles important for people's health and wellbeing	<b>SDG3 Health and wellbeing</b> 3d Warning, risk reduction and management of health risks e.g. pandemics.	<b>Primary role:</b> Provider* <b>Secondary role:</b> Funder * Provider of community leisure facilities e.g. swimming pools and recreation centres, using key health messaging to encourage higher levels of physical activity	City
	5.2 Community support	Foster diverse communities and enable people to connect with information and each other	<b>SDG10 Reduced inequalities</b> 10.2 Social, economic, and political inclusion, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<b>Primary role:</b> Provider <b>Secondary role:</b> Funder	City
	5.3 Public health and safety	Maintain public health standards and promote individual wellbeing, safe neighbourhoods, and a safe inner city	<b>SDG3 Good health and wellbeing</b> 3e Protecting and safeguarding public health and safety in urban areas	<b>Primary role:</b> Regulator <b>Secondary role:</b> Provider	City
6. Urban development	6.1 Urban planning, heritage and public spaces development	Help protect, restore, and develop the city's heritage and character assets	<b>SDG11 Sustainable cities and communities</b> 11.4a Protect and safeguard cultural and natural heritage.	<b>Primary role:</b> Regulator <b>Secondary role:</b> Funder	City
	6.2 Building and development control	Provide building and development control and facilitation activities to protect public and environmental health and safety, and to protect future users of land and buildings	<b>SDG11 Sustainable cities and communities</b> 11.3a Sustainable urbanisation and a quality built urban environment	<b>Primary role:</b> Regulator <b>Secondary role:</b> Provider	City
7. Transport	7.1 Transport	Deliver an accessible, safe and reliable transport network	<b>SDG11 Sustainable cities and communities</b> 11.2 Access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	<b>Primary role:</b> Provider <b>Secondary role:</b> Funder	City
	7.2 Parking	Manage parking in line with the aims and objectives of the 2020 parking policy	<b>SDG11 Sustainable cities and communities</b> 11.3a Sustainable urbanisation and a quality built urban environment	<b>Primary role:</b> Regulator <b>Secondary role:</b> Provider	City

## Appendix 4: How we report

### Purpose

The information in this report supports governance oversight and service delivery performance monitoring of the current Long-term Plan (LTP).

Oversight includes:

- LTP strategic direction and risks to overall progress
- Programmes supporting LTP priorities, strategies, action plans and key projects; and
- Monitoring of service delivery key performance indicators

The report informs three key questions:

- Is the LTP progressing as expected
- Are the responses to risks sufficient to mitigate undesirable impacts, and;
- Is service performance on track

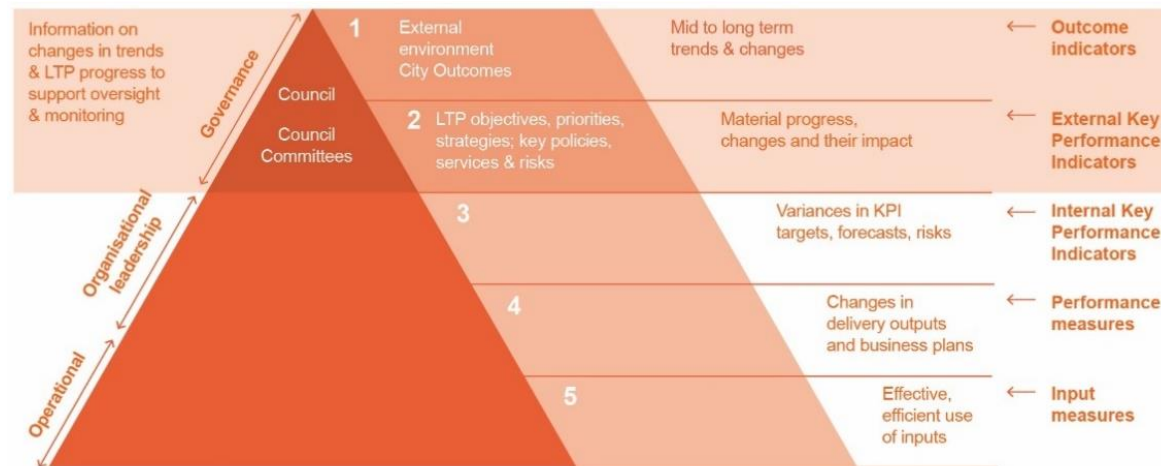
The Quarterly report is provided to the Council’s Kōrau Tōtōpū | Long-Term-Plan, Finance and Performance Committee (the LTPF&P Committee)

### What we report

The Quarterly Report provides a year-to-date performance story covering progress against LTP objectives, priorities and strategies. This includes progress against the six LTP priority objectives (LTP priorities) and their supporting work programmes.

The report covers the top two tiers of the monitoring and reporting framework as shown in figure 1 below, and includes LTP amendments and Annual Plan variations.

**Figure 1: Monitoring and Reporting framework**



### How we report

#### Performance data

Financial and non-financial results are reported quarterly. Results which are reported on an annual basis, for example the annual residents’ monitoring survey, are published in the Council’s Annual Report. Programme information focuses on overall progress, programme health and risks to progress. Where possible actual and forecast information is provided.

#### Exception reporting

Only those indicators with a status of red are reported which allows a focus on under performance. Red is used for financial reporting where a variance is >\$500k AND >10% off target. For non-financial reporting red is used where a variance is >10% off target.

Risks are reported using the Council’s Risk and Assurance framework.

### Where we get our data

The Information in this report is sourced from the Council’s business units including Finance, Risk and Assurance, the Project Management Office and CCOs.



# TE TOI MAHANA | QUARTERLY REPORT

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## Kōrero taunaki | Summary of considerations

### Purpose

1. This report attaches the second quarterly Performance Report from the Community Housing Provider, Te Toi Mahana, normally provided to the Kōrau Mātinini | Social, Cultural, and Economic Committee.

### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
  - People friendly, compact, safe and accessible capital city
  - Innovative, inclusive and creative city
  - Dynamic and sustainable economy
- Strategic alignment with priority objective areas from Long-term Plan 2021–2031**
- Functioning, resilient and reliable three waters infrastructure
  - Affordable, resilient and safe place to live
  - Safe, resilient and reliable core transport infrastructure network
  - Fit-for-purpose community, creative and cultural spaces
  - Accelerating zero-carbon and waste-free transition
  - Strong partnerships with mana whenua

### Relevant Previous decisions

### Financial considerations

- Nil       Budgetary provision in Annual Plan / Long-term Plan       Unbudgeted \$X

### Risk

- Low       Medium       High       Extreme

Author	Paul Davies, Community Housing Relationship Lead
Authoriser	Siobhan Procter, Chief Infrastructure Officer

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## Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

1. Receive the information.

## Whakarāpopoto | Executive Summary

2. At the 2 March 2023 Kōrau Mātinitini | Social, Cultural, and Economic Committee meeting it was resolved as a part of the establishment of Te Toi Mahana (the Trust), that the Trust would provide reporting to Council on a 3 monthly basis on key financial metrics for the first two years, and full reporting on a 6 monthly basis.
3. Through the Relationship and Reporting Agreement between Te Kaunihera and the Trust there are further reporting metrics the Trust is required to provide. These are contained in the attached Report.

## Takenga mai | Background

4. At the 2 March 2023 Kōrau Mātinitini | Social, Cultural, and Economic Committee meeting it was resolved as a part of the establishment of Te Toi Mahana (the Trust), that the Trust would provide reporting to Council on a 3 monthly basis on key financial metrics for the first two years, and full reporting on a 6 monthly basis.
5. The first quarterly report was received 23 November 2023. The second report was due to be presented to the Kōrau Mātinitini | Social, Cultural, and Economic Committee meeting in February. As this meeting was cancelled, it is with the agreement of both Committee Chairs the report is to be presented to this Committee.
6. Through the Relationship and Reporting Agreement between Te Kaunihera and the Trust there are further reporting metrics the Trust is required to provide. These are contained in the attached Report.
7. Te Toi Mahana is established as a Council Organisation under the Local Government Act. This means the Council has an important monitoring role to ensure the Trust is achieving the outcomes the Council sought in establishing the Trust. When the Council established the Trust, it primarily sought to achieve three key objectives including:
  - Increased supply of social housing in Wellington
  - Improved rental affordability for social housing tenants
  - Improved financial sustainability of the housing portfolio and shared financial position of Trust and Council
8. Te Toi Mahana has been established as independent charitable trust. Therefore, Council has limited abilities to involve itself in operational matters. From a strategic view, when considering the above objectives, Officers note the following the Committee may wish to discuss with the Trust representatives:
  - **Financial sustainability** – The ongoing work, including securing increasing the number of IRRS tenancies started, the Trust been doing to work towards improved financial outcomes that benefit both the Trust and Council

- **New government policy** - what opportunities does the Trust see with the change in government and what work is being done to ensure the Trust benefits from the new government's policy position on social housing which is more strongly in favour of using the CHP sector to deliver social housing outcomes?
- **Existing Tenant Support Fund** – An update on the Trusts work and plans for the use of the Three Waters Better Off funding provided to the Trust shortly after it was established.

### **Kōrerorero | Discussion**

9. The Trust took over the provision of tenancy management, community development activities, and minor maintenance services on 1 August 2023.
10. Since the Trust commenced operations, the focus between the two organisations has focused on the operational and strategic relationship between the parties.
11. Through the Community Housing Relationship Lead, and supported by a number of other business units, Council has been working collaboratively with the Trust to ensure a tenant-focused delivery model.
12. Officers are pleased to note the positive feedback received via the Trust regarding the positive working relationship between Te Kaunihera and Te Toi Mahana.

### **Governance Arrangements**

13. The following joint-agency Committees have been established, with Terms of Reference (TOR) and meeting frequency agreed or under discussion:
  - a. **Relationship Management Group**  
This group is formed under the Relationship and Reporting Agreement to ensure the productive engagement between the parties. There have been three meetings of this group since the Trust was established. There have been no substantial issues raised by either party during these meetings.
  - b. **Major Maintenance & Development Fund Committee**  
The purpose of this Committee is to make recommendations to the Chief Infrastructure Officer in relation to expenditure from the Fund. The Committee met for the first time in December 2023 and agreed its Terms of Reference and agreed on the collaborative approach required to appropriately manage the financial arrangements between the parties.

### **Financial Performance and Reporting**

14. In addition to the reporting requirements in the attached report, as required by the Council resolution, a ring-fenced fund has been established to receive the Trust lease payments, and to meet agreed costs.
15. Reporting on the Fund is shared with the Trust via the Major Maintenance & Development Fund Committee and is contained in the Agreements between the parties.

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### **Gifted Properties**

16. The Trust continues to investigate the \$10M of properties to be gifted by the Council and they have developed an initial short list of desired sites.
17. Council Officers have supported the Trust as it develops this list with property information we hold e.g. Title information, Healthy Home Guarantees Act works undertaken.
18. We understand the Trust hopes to bring information and a paper in relation to the gifted properties to Council in April 2024.
19. The first tranche of the \$23M of development capital that accompanies the gifted properties (\$3M in FY 2023/24 has been reforecast as a part of the LTP budgeting process.
20. Market valuations on the properties have been procured as required by the Funding Agreement with the Trust. Section 40 Public Works Act reports have also been commissioned to ensure there are no impediments to the transfer of the possible sites identified by the Trust.
21. The gifting of these properties to the Trust will result in a reduction in HUP2 costs to the Council similar to the value of the properties.

### **Other Matters**

22. It is noted in the Performance Report that work continues towards compliance with the Healthy Homes Guarantees Act (HHGA). This project is funded and delivered by Council in association with the Trust. Officers are confident this project will be completed by the 31 July 2024 legislative deadline and within budget. Funding for this project has been provided via the Long Term Plan (LTP).
23. At the time of this reporting 81% of our housing assets meet the HHGA, with the remaining 11% only requiring individual elements of the requirements in order to reach full compliance.
24. Progress towards the return of the Granville site to mana whenua remains on track with only one tenant remaining on site. We are working closely with the Trust on this, and our relationship and discussions with the Tenths Trust remain strong, with a focus on finalising the Lease and exit process. Planning has commenced in relation to the manner in which we will return to the site to mana whenua.
25. Planning for the delivery of the Housing Upgrade Programme Phase 2 (HUP2) continues. HUP2 is comprised of approximately 50 projects and impacts on over 850 homes. The first three projects have commenced. The scope of the remaining projects is expected to be confirmed as a part of a wider programme business case schedule which is expected to be completed by the year end. A Programme Board has been established and is meeting regularly.
26. Council is reminded that the funding of HUP2 is the responsibility of Council. Through decisions made previously, and through the agreement with the Crown via the Deed of Grant to fund and deliver the HUP2 programme, Council remains bound to fund the HUP2 programme.

## Attachments

Attachment 1. Te Toi Mahana | Performance Report to Wellington City Council | Quarter 2: October - December 2023 [↓](#) 

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# Performance Report to Wellington City Council

QUARTER 2: OCTOBER – DECEMBER 2023

# Executive Summary (1 of 4)

The second quarter of operations has seen the Trust bed-in systems and processes, strengthen key relationships and begin to look ahead towards our longer-term strategic goals.

## Tenancy Operations / Community Development

- ▶ The Trust now has 22 IRRS tenancies at the end of the second quarter, with more in the pipeline.
- ▶ Tenant rents were increased in November which was well managed.
- ▶ Granville exit - all but one tenant has been rehoused by the end of December. We are actively working with the remaining tenant to find alternative accommodation. Once the complex is vacated, the Council will take over management of the property in accordance with the Lease Agreement. Holding units to rehouse tenants from Granville contributed to the average void to let days performance measure.
- ▶ Fourteen community events were supported this quarter, hosted by staff, tenant volunteers and/or community partners.
- ▶ A funding proposal to Victoria University Wellington (VUW) was submitted and approved by researchers for the YouthFULL project to begin in March 2024. Our team will work alongside VUW researchers to codesign a project with youth at one of our complexes. Researchers will provide insights to use in our future engagements with youth, and they will present their findings at the World Urban Forum and publish an article about the project in the Journal of Urbanism.

## Executive Summary (2 of 4)

### Frontline Customer Services (Contact Centre / Service Centre)

- ▶ Service Centre – A fitout is underway at Te Toi Mahana for the reception and meeting rooms to take over from the WCC service centre (Arapaki) on 4 March.
- ▶ Planning for the transfer of the Contact Centre operations from WCC to Te Toi Mahana from 1 July 2024 has commenced.

### Organisational Development

- ▶ We continue to build a highly skilled team and culture that is committed to achieving excellence for Te Toi Mahana and our tenants. The results of our first staff engagement survey in December were overwhelmingly positive with 90% of staff responding, with an overall 95% satisfaction rating.





# Executive Summary (3 of 4)

## Property / Facilities Maintenance

- ▶ The Trust's Property Strategy which sets out the criteria for selecting property to purchase/develop has been drafted. The Board will consider this at its February Meeting. The planning for the development of additional community housing will be a key focus for 2024/2025.
- ▶ In addition, the Trust has identified options for "Transferred properties" from WCC and has been in discussions with the Council about these properties. A paper will be going to SCEC in April 2024.
- ▶ Signage project - Te Toi Mahana has commenced work on changing signage at all properties leased from the Council. To date a revised signage guide has been prepared and an audit of signage has commenced to scope the size and cost of this project.
- ▶ Property Inspections - Te Toi Mahana re-vamped the inspection process and relaunched in October 2023, since this date 494 property inspections have been completed in the quarter.

## Executive Summary (4 of 4)

### Stakeholder Engagement

- ▶ Te Toi Mahana and WCC maintain a strong working relationship with senior executives meeting on a regular basis.
- ▶ We have engaged with a number of Stakeholders including the Wellington CHP Sector Network and the Wellington Tenant Placement Group. The latter group includes representatives of community housing and other social/Crown agencies collaborating on placing people on the public housing wait list (with a focus on Emergency Housing) in suitable housing as quickly as possible. Recently the Trust was able to place 13 people/families off the public housing waitlist in one meeting, most of whom were in emergency housing.
- ▶ The Trust has established two Tenant Focus Groups (Policy & Advice and Facilities & Maintenance) to provide an avenue for our tenants to regularly contribute to how Te Toi Mahana is run as an organisation.

### Risk and Governance

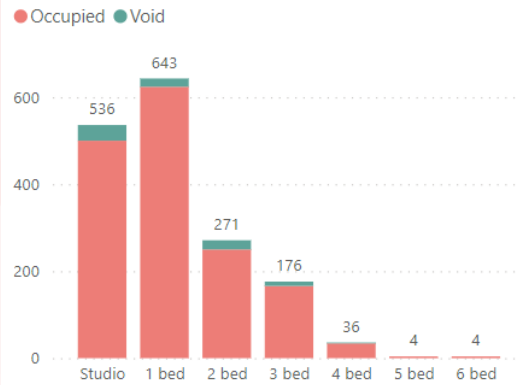
- ▶ The Trust operates on a financially sustainable basis, as well as meeting its lease obligations to the Council on a timely basis.
- ▶ We have identified options for the utilisation of the Existing Tenant Support Fund to ensure that the full value of the fund is distributed to existing tenants in a fair and equitable manner. Once we have evaluated the options we will seek Board approval for the preferred option and provide an update to the Council.



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# Facts at a Glance

Property Size Breakdown

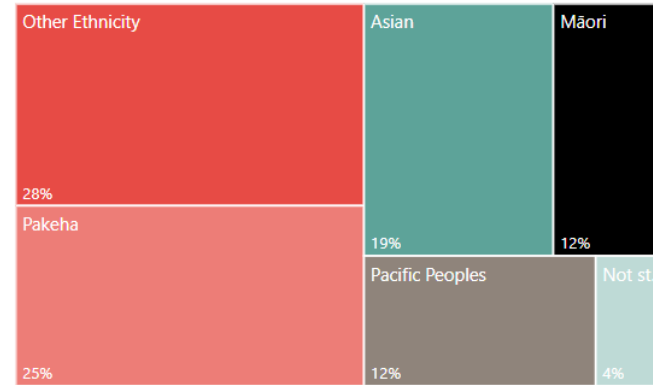


**1590**  
Households

**2701**  
Tenants\*

\* excluding properties leased to other Community Housing Providers (CHPs)

Ethnic Group



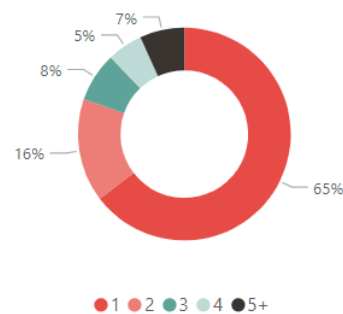
**\$1.29m**  
Monthly Rent to WCC

**37**  
Community Activities

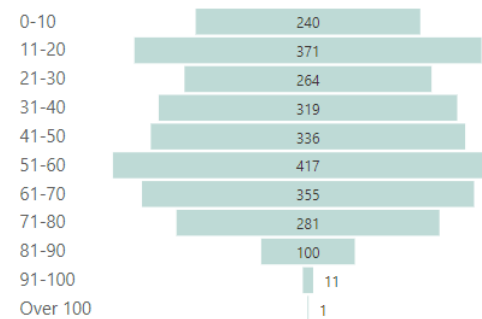
**42**  
Languages Spoken

**36%**  
10+ Years in Current Home

Persons Per Household



Tenants by Age



## Performance Areas

The following reporting metrics provide the information required in the Relationship and Reporting Agreement, Funding Agreement and Lease Agreement between WCC and Te Toi Mahana

1. [Tenant Wellbeing](#)
2. [Financial Sustainability](#)
3. [Asset Service Delivery](#)
4. [Asset Availability](#)
5. [New Supply Delivery](#)
6. [Risk Reporting](#)
7. [Health and Safety](#)
8. [Portfolio and Tenant Information](#)
9. [Other Measures](#)



# 1. Tenant Wellbeing

The CHP will support improvement in tenant outcomes through quality tenancy management and access to safe, healthy, affordable housing.

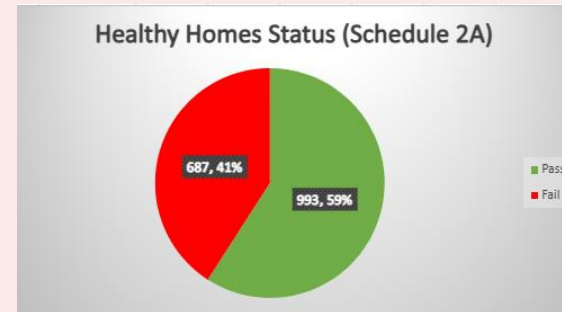
Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	3	Tribunal outcome: Number of tenancy tribunal findings found for and against the CHP	9 (for)	17 (for)	NA	Number of tribunal applications by Te Toi Mahana: 17 (Orders issued were all in favour of Te Toi Mahana)  Number of tribunal applications by tenants: 0
RRA	4	Evictions: Number of tenant evictions	0	0	0	No evictions to report for this quarter.
RRA	5	Complaints: Number of tenant complaints received	7	9	NA	Complaints received during this period were mostly on the installation of different types of heating as part of the Healthy Homes programme.

# 1. Tenant Wellbeing cont..

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	7	Healthy Homes: Number of properties that comply with Healthy Homes standards	921	993	NA	Total number of properties on Schedule 2A is 1680 that will need to meet Healthy Homes compliance by July 2024.

Healthy Homes include heating, moisture ingress, draught stopping, ventilation and insulation. WCC Capital Works are responsible for the Healthy Homes project. 100% of all properties leased to Te Toi Mahana are on track to be Healthy Homes compliant by July 2024.

Currently 59% of all properties leased by Te Toi Mahana are Healthy Homes compliant.



## 2. Financial Sustainability

The CHP will operate in a financially sustainable manner and seek to maximise surplus to support reinvestment in the portfolio while maintaining rental affordability for tenants.

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	8	Actual and budgeted revenue and expenditure incl: a) Operational Expenses, b) Lease Payments, c) Maintenance -YTD and FY Forecast	90	58	109	The Trust has been operating with a small surplus for 5 months. Total income and total expenditure budgets are on track YTD (refer to table for YTD result).

	Operating Profit & Loss* (\$000)		
	YTD Actual	YTD Budget	Variance
<b>Revenue</b>			
Tenancy Income	9,877	10,042	- 165
Interest	62	61	1
<b>Total Revenue</b>	<b>9,939</b>	<b>10,103</b>	<b>- 164</b>
<b>Expenditure</b>			
Lease payment	6,477	6,447	30
Maintenance	824	707	- 117
Overhead costs	2,580	2,840	260
<b>Total Lease Operating Costs</b>	<b>9,881</b>	<b>9,994</b>	<b>113</b>
<b>Net Surplus/(Deficit)</b>	<b>58</b>	<b>109</b>	<b>- 51</b>

\*excludes Grants received from WCC and establishment costs

## 2. Financial Sustainability cont...

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	9	IRRS Tenancies: Number and % of IRRS places contracted as a proportion of all tenants in the leased portfolio	8	22	NA	We have been able to house more applicants from the MSD waitlist. Still finding challenges with BOS (MSD system) but receiving more referrals from different agencies. The Wellington Tenant Placement group will help with assigning tenancies quickly.
RRA	10	Rent Arrears: % of tenants in rent arrears over 21 days	NA	7%	NA	Arrears are actively monitored by the tenancy team. The team completes multiple follow ups with tenants to provide support or referrals where possible before applying to tribunal once the account exceeds 21 days in arrears.
RRA	13	Forecast and actuals for the components of the Annual Rent payable to the Council and Operating Costs Gainshare (as per Lease Agreement)	\$2.57m	\$6.47m	\$6.44m	The base rent is on budget for the quarter. It is too early to report on the forecast for the variable rent and operating costs gainshare amounts.



### 3. Asset Service Delivery

The CHP will respond to maintenance requests in a timely manner.

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	14	<a href="#">Response time - Emergency</a> : Response time to emergency maintenance requests within agreed timeframes	1 - 48% 2 - 72%	1-56% 2-70%	95% 95%	<b>1. Onsite target: 1 hour</b> <b>2. Completion target: 1 day</b> 43 urgent work orders were raised in Qtr2 . All work orders were completed.
RRA	15	<a href="#">Response time - Urgent</a> : Response time to urgent maintenance requests within agreed timeframes	1 - 65% 2 - 78%	1-71% 2-73%	95% 95%	<b>1. Onsite: 4 hours</b> <b>2. Completion: 2 Business Day</b> 359 high work orders raised in Qtr2 with. 99% of work orders listed as complete with the remaining 1% made safe or onsite status.
RRA	16	<a href="#">Response time - Standard</a> : Response time to standard maintenance requests within agreed timeframes	1 - 68% 2 - 80%	1-65% 2-75%	95% 95%	<b>Onsite: P3 1 Business Days / P4 10 Business Days</b> <b>Completion: P3 5 Business Days / P4 20 Business Days</b> 1,335 medium/low work orders raised in Qtr2. 97% complete with the remaining 3% outstanding made safe, in progress or onsite.

**Summary on Measures:**

Maintenance is managed through the WCC Ventia Contract. Response times are recorded in two SLA's with Ventia. 1. Onsite SLA which records time to attend a work order by priority and 2. Completion SLA which records a due time to complete a work order based on priority status.

The total number of work orders based on Onsite SLA is 1,634 (Qtr2) with a pass rate of 65%. The total number of work orders based on Completion SLA is 1,695 (Qtr2) with a pass rate of 75%.



## 3. Asset Service Delivery

### Response Time: P1 – Urgent

**Description:** Attend all issues deemed to have a potential impact to:

- Life
- Limb
- Building structure or integrity
- Security
- Environment

Common work orders summary:

- 4x Lift faults.
- 7x Key access issues including lost keys.
- 9x Electrical related work orders.
- 10x Fire safety system call outs including panel faults.

### Response Time: P2 – High

**Description:** Attend to issues that could impact:

- Operations of a critical or business continuity nature
- Customer experience related to a significant function
- Economic or revenue generating functions
- Reputation

Common work orders summary:

- 56x Electrical related work orders
- 3x Fire safety system call outs including panel faults
- 44x Plumbing related work orders

### Response Time: P3/P4 – Medium and Low

**P3** attend to issues that:

- Do not pose an immediate risk to site or persons
- Causes minor disruption or inconvenience or loss of amenity
- Requires specialised parts or awaiting parts and materials to be delivered

**P4** attend to issues that:

- Are not of an urgent nature
- Can be "bundled" into a package of works that provides a more efficient option for Te Toi Mahana to repair and complete
- Are requiring investigation as to whether Council approve for the job to proceed and if these can be bundled



## 4. Asset Availability

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	21	Void to Let days (Grouped by number of days)	135	139	10	Slight increase in the average number of void to let days, as properties that had been vacant long-term had been let in the last quarter. Reasons for long-term vacancies include: holding for Granville tenants and properties that have had multiple viewings but had been declined. We expect to see an improvement for this metric in Q3.
RRA	22	Properties vacant under development: Number of properties vacant under development, including number of days vacant	0	0	NA	Nothing to report
RRA	23	Properties vacant under repair, including number of days vacant	28	43	NA	More properties going through vacate work in Q2 compared to last quarter  There were more vacate jobs logged to Ventia (50 in this quarter) - although agreements may have ended in the previous quarter, tenancies such as transfers may have not been logged until a week or so after.

## 4. Asset Availability

The CHP will efficiently ensure that, to the extent possible, portfolio properties are available to rent

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	18	Number of leased properties	1779	1675	NA	All but one Granville unit has been removed from Schedule 2A, hence the drop in the overall number.
RRA	19	Occupancy Rate	NA	95%	NA	Measure has been refined from the previous quarter – previously reporting on the proportion of both the occupied as well as RTL (ready-to-let) properties.  Leased properties used for other purposes (e.g. site office, community room) are excluded from the calculations.
RRA	20	Void properties:				
		1. Number and list of unoccupied properties	92	89	42*	Largely unchanged from the last quarter.  <i>*based on void rate applied in the modelling used in the lease agreement</i>
		2. Number of Ready to Let (RTL) properties	67	46	NA	Only about a half of vacant properties are RTL this quarter – this compares to three-quarters of vacant properties being RTL in the previous quarter.
		3. Average days vacant per property	100	114	10	There has been a marginal rise in the figure, possibly attributed to the holiday period in December. We have multiple initiatives underway to improve the aspects of the vacate process that are within our control, including a dedicated vacates team starting on 1 February.  There are outliers that are affecting the figure significantly, including properties that require major work such as; bath to shower conversion, fire damaged property and a property being held long-term for an affected tenant. Without these properties, the average is 85 days. The main other factor is the MSD system for placing IRRS tenants, which has led to multiple declines per property. The Wellington Tenant Placement Group will improve this process significantly.

## 5. New Supply Delivery

The CHP will utilise the capitalisation from WCC to progress new supply developments.

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	25	Update on development intentions and quantitative information including new units added/and or planned	0	0	0	
RRA	26	Progress update on active development(s) and quantitative information including new units added and/or planned	0	0	0	

### Transferred Properties Plans

Te Toi Mahana is currently finalising its Property Strategy to align with our vision and mission of providing homes where people are proud to live. This strategy will fundamentally be the baseline for feasibility and selection of gifted properties.

The Transferred Property Selection paper is currently in draft. Following board approval in Q1 2024, this will go to WCC for approval in April 2024.

## 6. Risk Reporting

The CHP will report on key short, medium and long term risks and proposed mitigations

Document	Performance area	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	Compliance and Governance	27	Risk: Description of key risks and proposed mitigations (narrative measure)				The Board has recently reviewed the Risk Register in detail. The current register has 15 strategic/operational risks with 1 residual risk rated High. This Risk relates to an event outside the Trust's control eg a major event that impacts the housing portfolio. The Business Continuity Plan is currently being updated with input from WCC.

## 7. Health, Safety and Wellbeing (HSW)

The CHP provides information to WCC to help it meet its obligations as a PCBU under the Health and Safety at Work Act 2015

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	31	Number of health and safety incident reports, as well as: <ul style="list-style-type: none"> <li>• How these issues have been addressed</li> <li>• The timeframe for resolving these issues</li> <li>• Number and description of incidents/injuries/events that have been notified</li> </ul>	25	23	NA	<p>There was one notifiable event in December. A contractor that was working on the Service Centre fit out had an electric shock. The contractor sustained no injuries and returned to work following a checkup from hospital. WorkSafe completed an investigation and the Contractor updated their procedures.</p> <p>All incidents are investigated and incidents are closed on average within 10 to 15 days since they were first reported. Of the 23 incidents, 12 were triggered by tenants and 4 by other members of the public (squatting/break ins).</p>

## 8. Portfolio and Tenant Information

The CHP will report on the key characteristics of the tenant cohort within the leased portfolio

Document	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	33	Number and % of tenants accessing a rental policy subsidy (e.g. ARL, 80+ rent freeze)	95%	44%	NA	Rent freeze that had been in place since 2022 was lifted in November, and this has reduced the proportion of tenants receiving a subsidy from 95% of tenants to 44%.
RRA	34	Number of transferring tenants housed as a proportion of all tenants in the leased portfolio	8	34	NA	More tenancies from the Transfer list started in Oct-Dec compared to the previous quarter as the rehousing of Granville tenants had largely been completed which allowed more properties to be available for Transfer applicants.
RRA	35	% of leased portfolio housing non-public housing tenants	95%	94%	NA	There has been a slight increase in the number of public housing tenants. Currently 68 properties are leased out to other CHPs operating in Wellington City, with the remaining 22 tenancies being directly managed by Te Toi Mahana.



## 9. Other measures

Document	Performance area	Doc No	Measure	Prev Qtr Actual	Actual	Target	Commentary
RRA	Asset Service delivery	17	Any other metrics agreed under the AMSP	NA	NA	NA	Nothing to report this quarter.
RRA	MMDF	37	Forecast value of the MMD Fund	NA	NA	NA	WCC to report
RRA	Financial	38	Reporting requirements pursuant to WCC's Three Waters Better Off Funding arrangements (noting the funding under such arrangements is to be used for the Existing Tenant Support Fund as per the Lease Agreement). Specific reporting requirements (including timing) to be confirmed by Council following the Commencement Date				The \$7.42m for the Existing Tenant Support Fund has been ringfenced in an interest-bearing bank account. Continuing discussions re the usage of this funding and the interest for the benefit of existing tenants.
FA	Financial		Quarterly report on Development tranche	NA	NA	NA	Nothing to report this quarter.

# Definitions

- ▶ **CHP** Community Housing Provider
- ▶ **RRA** Relationship and Reporting Agreement
- ▶ **FA** Funding Agreement
- ▶ **IRRS** Income Related Rental Subsidy (central government)
- ▶ **ARL** Affordable Rent Limit Subsidy (Te Toi Mahana/formerly City Housing)
- ▶ **KPI's** Key Performance Indicators
- ▶ **MMDF** Major Maintenance Development Fund
- ▶ **SLA** Service Level Agreement
- ▶ **Void** Empty property with works waiting/underway
- ▶ **BOS** Public housing applicants and tenancy management system used by MHUD, MSD and CHPs
- ▶ **Ready to Let** Property ready for a tenant to move in
- ▶ **Schedule 2A** Properties that Te Toi Mahana has leased from WCC under the Lease Agreement
- ▶ **Response time** [Detailed definition on slide 13](#)





Granville Shared lunch



Central Park Christmas



Newtown Park BBQ



Kaitiaki event



Te Toi Mahana Team at Fixery, Kōtuku



Rintoul Spring Fling



Granville Shared lunch

**Any pātai/questions?**

# DEVELOPMENT CONTRIBUTION POLICY REVIEW 2024

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## Kōrero taunaki | Summary of considerations

### Purpose

1. This report is to seek approval for the draft Development Contributions Policy 2024 (the policy) to be released for external audit prior to consultation under the Local Government Act 2002 (LGA02).

### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

### Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

### Relevant Previous decisions

This review is to align the policy with Long-term Plan 2024-34 (LTP) growth expenditure, community outcomes and population growth estimates. The policy was adopted in 2005 and was most recently reviewed in 2022. The policy should be reviewed regularly under the LGA02 [section 106(3) refers].

### Significance

The decision is rated low significance in accordance with schedule 1 of the Council's Significance and Engagement Policy.

The review of the policy is a "strong logical step from a prior decision" being the agreement of the LTP and therefore has "low" significance.

### Financial considerations

- Nil       Budgetary provision in Annual Plan / Long-term Plan       Unbudgeted \$X

2. The policy is a funding tool under the LTP and the charges align with the Council general policy 'growth funds growth'.

**Risk**

|  Low |  Medium |  High |  Extreme

3. The policy has many components and there are principles and specifications in the LGA02 that must be met. If the policy is not robust, development charges may be gamed or be subject to legal challenges. The Council has worked with a recognised subject matter expert consultant on the review.

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Authoriser	Liam Hodgetts, Chief Planning Officer

**Taunakitanga | Officers’ Recommendations**

Officers recommend the following motion:

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

- 1) Receive the information
- 2) Approve the draft policy as attached to be released for external audit prior to public consultation
- 3) Agree to delegate to the Chair of the Committee and the Chief Executive to amend the proposed Development Contributions Policy draft, as well as other necessary edits.

**Whakarāpopoto | Executive Summary**

4. Development contributions are charges that help the Council to pay for upgrades to existing and new community facilities to accommodate the City’s growing population. Community facilities are defined as reserves, network infrastructure (including for water supply, wastewater, stormwater, and transport) and community infrastructure.
5. The policy is about how these charges are administered and calculated. The policy was first adopted in June 2005 and was last amended in 2022.
6. The review of the policy is to align with new expenditure agreed in the LTP. As a result of the review, key changes have been made to the policy as follows.
  - a. Fees have increased to reflect LTP growth capital expenditure (capex), including:
    - i. average brownfield development contribution increases from approximately \$6,000 to \$13,000.
    - ii. average greenfield development contribution increases from approximately \$12,000 to \$23,000

- b. Residential activities increased retirement village units and aged care units besides small dwellings and standard dwellings. Non-residential activities have been split into Retail, Commercial and Industrial (this was one grouping in the 2021 Development Contribution Policy)
  - c. Editorial improvements made to improve readability.
7. Fee increases are impacted mostly by new Transport projects. Parks and Reserves projects have also made an impact for residential development contributions.
  8. The charges remain reasonable as a proportion of building costs and are relatively lower than in neighbouring territorial local authority jurisdictions. This reflects the fact that Wellington City has relatively fewer greenfield developments, which require higher levels of investment as the infrastructure is new and an extension to the infrastructure networks rather than tapping into existing networks.
  9. Consultation will to be of interest to developers as higher DC fees is viewed as a cost that effects the bottom line profitability of projects.

### **Takenga mai | Background**

10. Development contributions are a Wellington City Council (Council) charge to help pay for the impact that new developments have on community infrastructure and facilities, such as water supply, wastewater, transport, parks and reserves etc. Projects that may require a development contribution include new residences and commercial space.
11. In the LTP 2024/34, the Council plans to incur around \$4.86 billion on community facilities partially or wholly needed to meet the increased demand for community facilities resulting from growth component of the asset investment. This includes works undertaken in anticipation of growth, and future planned works. The total amount to be funded by development contributions is nearly \$750 million.
12. Under the LGA02 the Council may collect development contributions on capital expenditure for community facilities, but only on the growth component. There are three components of capital expenditure:
  - a. Renewal: maintaining services, improving the physical integrity and remaining life of assets with no change to the asset base
  - b. Level of service: improving standards of quality, reliability, responsiveness, safety, comfort, flexibility, regulatory requirements or similar, and
  - c. Growth: increased availability and capacity to cater for more people, either increasing the number of assets, the total area or length. Development contributions can only be collected on this component.
13. Each LTP project is assessed to ensure an appropriate proportion is assigned to growth for the purposes of the policy. This varies by project from 0 to 100 percent.

14. The policy is based on a principle of equity between current residents and future residents. Development contributions fund additional capacity in community facilities. The benefits of this additional capacity mainly accrue to new households and businesses generating demand for that capacity. Development contributions paid by developers are likely to be passed on through section and building prices to the residents of new households and businesses.
15. Existing residents and businesses, however, gain a much reduced benefit from the infrastructure and resulting growth in the city and therefore they should not be required to fund the majority of the costs through rates. This context is presented in the current policy and in the proposed amended policy.
16. The policy is generally well understood and accepted by developers and the existence of development contributions has not been considered a barrier to construction. The charges for Wellington City have been relatively low because growth is taking place through intensification in areas like the city centre and Te Aro. Greenfields developments tend to have higher costs for community facilities and Wellington City has some, but relatively few of these.

### **Kōrerorero | Discussion**

17. The policy review is part of the LTP process because the LTP has key information and decisions that should underpin the policy; including population growth estimates and capital growth expenditure. This information has been incorporated into the proposed amended policy.
18. Alongside alignment with the new LTP officers have taken the opportunity to work with a consultant expert on development contributions to achieve general improvements and better alignment with best practice for development contributions.

Based on updated capex expenditure outlined in the LTP and the new modelling, development contributions for each Household Unit Equivalent (HUE) will be increased by around 100 percent.

### **Kōwhiringa | Options**

19. The Council has in place an existing Development Contributions Policy 2022. This review is to ensure it aligns with the overall funding approach set out in the LTP. Approving the policy to be released for external audit prior to public consultation is the recommended option. Pending a positive audit, the policy could then progress to public consultation in April alongside the LTP.
20. The Council could choose not to review the policy. This is not advised as the current charges do not reflect the investment the Council is making to bring community facilities up to modern standards, prepare for growth, and meet newly articulated community outcomes in the LTP.



21. The Council could even revoke the policy and choose to meet all development costs through rates or other mechanisms. In this case all growth would need to be funded from alternative sources, mainly general rates. This would negate the principle of the policy, to fund growth from those generating the need for additional community facilities and who will benefit the most, rather than from existing ratepayers, who experience a reduced benefit from capital expenditure for growth. This is not recommended.
22. The Council could delay the review to expand the scope. However, these proposed amendments, particularly the new modelling, will rectify the current situation of under-collection of revenue to fund growth, make the policy much easier to maintain and amend in future. The delay of the review is not recommended.

## **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

### **Alignment with Council's strategies and policies**

23. The review and proposed amendments bring the charges in the policy in line with the capital growth expenditure in the LTP. The policy is part of the Council's approach to funding set out in finance and expenditure policies.

### **Engagement and Consultation**

24. Consultation is not yet required.
25. Proposed policy will be released for external auditing before it is subject to public consultation as part of the LTP process.
26. A decision to authorise the policy for public consult under the LGA02 section 82 will be considered by the Kōrau Tōtōpū | Long Term Plan, Finance, and Performance Committee on 10 April 2024, pending a positive audit review

### **Māori Impact Statement**

27. No specific Māori Impact has been identified in the review of the policy but mana whenua will be comprehensively consulted in accordance with .

### **Financial implications**

28. As outlined in the LTP 2024/34, the total amount to be funded by development contributions is nearly \$750 million. This is an increase from nearly \$300 million under the 2021 LTP.
29. The policy review introduced a new model for development contribution calculation. This will ensure that fair proportion of development contribution will be collected from the developer. As a result, development contributions for each HUE will be increased by circa 100 percent.

### **Legal considerations**

30. The policy review is consistent with all specific requirements of the LGA02. The review focuses on the new financial model, which ensures growth costs, growth assumptions and charges are transparent and aligned.
31. A full legal review will be completed prior to the policy being considered for public consultation in April.

---

### **Risks and mitigations**

32. Development contributions policies are complex by nature with many components. Charges and legislative requirements have been carefully checked so as to avoid legal challenges under the policy.

### **Disability and accessibility impact**

33. There is no disability and accessibility impact.

### **Climate Change impact and considerations**

34. The policy review has not considered climate change impacts directly, but the projects listed have or will as they proceed to delivery.
35. As of 30 June 2022, the Green Building Remission was disestablished and has been replaced with the Environmental and Accessibility Performance Fund. The notice of the disestablishment and replacement is removed from the policy to reduce complexity.

### **Communications Plan**

36. The review is part of the LTP process, and any communication would be part of the LTP communication plan. Consultation will also be conducted through the Consultation Document for the LTP.

### **Health and Safety Impact considered**

37. There are no health and safety impacts.

### **Ngā mahinga e whai ake nei | Next actions**

38. Subject to approval for the draft policy to be released for external audit, consultation will be part of the LTP process.

### **Attachments**

Attachment 1. [Development Contributions Policy 2024 \(draft\)](#)  

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## **DRAFT DEVELOPMENT CONTRIBUTIONS POLICY 2024**

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## INTRODUCTION

### 1 Purpose of the Policy

- 1.1 Population and business growth create the need for new subdivisions and developments, which place increasing demands on the various assets and services provided by Wellington City Council (the Council). As a result, significant investments in new and upgraded assets are required for growth.
- 1.2 The Council's Development Contributions Policy (the Policy) helps ensure that a fair, equitable, and proportionate share of new or expanded infrastructure required for growth is funded directly by developers.

### 2 Adoption, application and review of the policy

- 2.1 The Policy was first adopted in June 2005 and amended in 2006, 2007, 2009, 2014, 2015 and 2022. This version of the Policy was adopted by the Council on xxx and takes effect from xxx
- 2.2 The Policy will continue to be reviewed at least triennially alongside the Long Term Plan (LTP), but may be reviewed more frequently too if/as required.

### 3 Navigating this document

- 3.1 This Policy describes the Council's approach to funding growth-related infrastructure via development contributions (DCs) under the Local Government Act 2002 (LGA02), and financial contributions (FCs) under the Resource Management Act 1991 (RMA). It comprises three parts:
  - a. Part 1: Policy operation
  - b. Part 2: Policy background and supporting information
  - c. Part 3: Policy maps.
- 3.2 Each part is briefly described below to help readers locate the most relevant information within this document.

**Part 1: Policy Operation**

- 3.3 Part 1 explains whether and how DCs and FCs may apply to each development. Specifically, it addresses the following matters.
- a. The DC charges set by asset type and geographic area
  - b. Liability for DCs
  - c. When DCs are levied
  - d. Determining infrastructure demands
  - e. Review rights
  - f. Other operational matters
  - g. Summary of financial contributions
  - h. Definitions

**Part 2: Background and supporting information**

- 3.4 Part 2 provides background information required by the LGA02, including an explanation of how DCs are calculated. It covers the following issues.
- a. The requirement to have a DC Policy
  - b. Funding summary
  - c. Funding policy summary
  - d. Catchment determination
  - e. Significant assumptions of the Policy
  - f. Cost allocation
  - g. Calculating DC charges
  - h. Schedule 1 DC calculations
  - i. Schedule 2 Capital works funded (at least partly) by DCs

**Part 3: Policy Catchment Maps**

Part 3 provides maps showing the catchments (or geographic areas) used in this policy to set sub-city charges, if/where they apply.

part 1: policy operation

#### **4 The charges**

- 4.1 The Council takes catchment specific DCs for water supply, wastewater, stormwater, transport, community facilities and parks and reserves. The catchments where DCs apply for each infrastructure activity are mapped in Part 3 of the Policy.
- 4.2 The resulting DC charges per household unit equivalent (HUE) for each activity in each catchment are listed in Table 1. This table refers to areas A to P (general catchment zones) and Q to T (specific inner-city parks and reserves and roading catchments zones that are additional to the general zones). See *Section 7 Determining infrastructure demands* for an explanation of an HUE.
- 4.3 Development contributions may be levied for the following activities.
  - a. Water
  - b. Wastewater
  - c. Stormwater
  - d. Transport
  - e. Reserves
  - f. Community infrastructure.
- 4.4 For each activity for which DCs apply, the amount levied is calculated by multiplying the number of additional HUEs by the charge per HUE for that activity. These activity-level DC charges are then aggregated to yield the total amount payable per development.
- 4.5 It is important to note that only additional HUEs attract DCs. Thus, for example, a dwelling demolished and replaced by two new ones would attract only one HUE worth of charges, because the development creates only one additional HUE.
- 4.6 The Council's DC charges may be adjusted for inflation annually in line with the Producers Price Index - Outputs for Construction, as permitted by sections 106 (2B) and (2C) of the LGA02. Table 1 outlines the current charges per HUE, which are effective from xxx.



**Table 1 Charges per HUE (all GST exclusive)**

Policy Map Zone	Catchment Specific Infrastructure (\$ per HUE)						Total Charge
	Community Facilities	Parks & Reserves	Stormwater	Water	Wastewater	Transport	
A Roseneath	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
B Karori	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
C Beacon Hill	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
D Brooklyn - Frobisher	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
E Kelburn	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
F Johnsonville-Onslow	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
G Ngaio	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
H Maldive	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
I Churton-Stebbins	\$347	\$4,478	\$49	\$637	\$272	\$14,781	\$20,564
J Grenada-Lincolnshire	\$347	\$6,820	\$49	\$637	\$272	\$18,672	\$26,797
K Maupuia	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
L Newlands	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
M Melrose	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
N Central & Coastal	\$347	\$4,478	\$49	\$5,472	\$272	\$7,890	\$18,509
O Tawa	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673

P Wadestown	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
Q Inner city Residential	\$347	\$6,305	\$49	\$637	\$272	\$7,890	\$15,500
R Johnsonville Town Centre	\$347	\$4,478	\$49	\$637	\$272	\$7,890	\$13,673
S Adelaide Road	\$347	\$4,478	\$49	\$637	\$272	\$9,794	\$15,577
T Pipitea Precinct	\$347	\$6,305	\$49	\$637	\$272	\$10,896	\$18,506
Rural	\$347	\$4,478	\$0	\$0	\$0	\$7,890	\$12,714

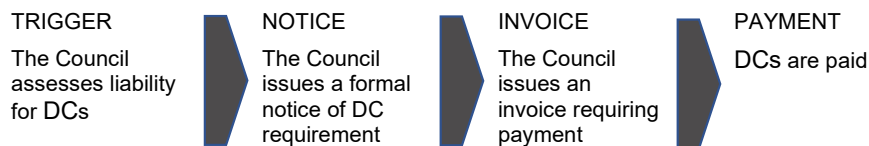
- 4.7 Where a development falls across two or more catchments the units of demand will be assessed separately for each catchment. The total DC payable will be sum of DC per unit of demand for each development contribution area.
- 4.8 Where a development crosses the Council boundaries into another district, the Council will only assess that part of the development which is inside Wellington City.

## 5 Liability for development contributions

- 5.1 Developments that create demands for Council services may need to pay DCs under this Policy. Development contributions may apply to developments within the areas shown in the Maps in Part 3 of this document.
- 5.2 In some circumstances, DCs may not apply or may be reduced. Refer *Section 6 When development contributions are levied*, *Section 7 Determining infrastructure demand - credits*, and *Section 9 Other operational matters - Limitations on imposing development contributions*.
- 5.3 Development of new community facilities (for which DCs apply) means that areas not previously subject to DCs under this Policy may become so. For example, a newly created section in a subdivision may be liable for DCs for new community facilities even when previously constructed houses within the same subdivision were not.

## 6 When/how development contributions are levied

- 6.1 The Council may assess liability for DCs at specific points within the property development process, namely at resource consent, building consent, certificate of acceptance, or service connection stage. Land use and unit title subdivision resource consents will only be assessed if a building consent will not be required.
- 6.2 Once all necessary information has been provided, the standard process for assessing and requiring the payment of DCs is as follows:



- 6.3 The Council will usually assess liability for DCs at the earliest available opportunity. For most developments, this will be at either the resource consent or building stage(s). However, the Council reserves the right to reassess liability for DCs at subsequent stages of the process in case the scale or nature of the development has changed over time.
- 6.4 DCs will be assessed under the specific version of this Policy that is in force at the time the application for resource consent, building consent, certificate of acceptance, or service connection is submitted with all required information. Land use and unit title subdivision consents will not trigger which policy is used unless a building consent is not needed.

***Initial assessment***

- 6.5 On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, the Council will assess whether:
- a. the development generates a demand for community facilities (reserves, community infrastructure or network infrastructure)
  - b. the development (or together with other developments) requires new or additional assets, or assets of increased capacity, in terms of reserves, community infrastructure or network infrastructure
  - c. the Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by the Council in anticipation of growth.
- 6.6 The Council has identified the assets and areas that are likely to meet the requirements of (b) and (c), and these are outlined in Part 2 Schedule 2 (Past and future assets funded by DCs) and Part 3 (DC catchment maps).
- 6.7 DCs may be waived or reduced if:
- a. a development does not generate additional demands for community facilities (such as a boundary adjustment)
  - b. one of the circumstances outlined in *Section 9 Other operational matters - Limitations on imposing development contributions applies*
  - c. credits apply as outlined in *Section 7 Determining infrastructure impact - Credits*.

- 6.8 If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought for a development, a new assessment may be undertaken using the Policy in force at the time of the new application. Any increase or decrease in the number of HUEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.
- 6.9 This means the Council will require additional DCs where additional units of demand are created, and DCs for those additional units of demand have not already been required. On the contrary, if the units of demand are reduced, the respective DCs will be reduced accordingly.
- 6.10 Examples of where additional DCs may apply after a subsequent trigger event include:
- a. minimal DCs have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage, and/or
  - b. DCs levied at the subdivision or land use consent stage are for a small residential unit, but the residential unit built is larger or is subsequently extended.
- 6.11 The Council will work with the developer to evaluate the development and determine the initial assessment of DCs. Initial assessments are in draft and can be amended by the Council until a DC notice is issued.

**Notice**

- 6.12 A DC notice will normally be issued when a subdivision resource consent, building consent, certificate of acceptance, or service connection authorisation is granted. It outlines the activities and the number of HUEs assessed for DCs, plus the charges that will apply. It also triggers rights to request a development contributions reconsideration or to lodge an objection (refer *Section 8 Review rights*).
- 6.13 If multiple consents or authorisations are being issued for a development, a DC notice may be issued for each part.
- 6.14 Development contribution notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

**Invoice**

- 6.15 An invoice for DCs will be issued to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 2).

**Table 2: Invoice timing**

Assessment Point	Invoice timing
Building consent	At the time of applying for a code compliance certificate (CCC)
Certificate of acceptance	Before the issue of the certificate of acceptance
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA (the 224(c) certificate). An invoice will be issued for each stage of a development for which the 224(c) certificates are sought, even where separate stages are part of the same consent
Service connection	At the time of applying for a service connection for water, wastewater or stormwater services

6.16 Notwithstanding the provisions above, if a DC required by the Council is not invoiced at the specified time due to an error or omission on the Council's part, an invoice will still be issued when the error or omission is identified. The DC remains payable.

**Payment**

6.17 DCs must be paid by the due time specified in Table 3.

**Table 3: Payment due date**

Assessment Point	Payment due time
Building consent	Prior to the issue of the CCC
Certificate of acceptance	At the issue of the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	The 20 <sup>th</sup> day of the month following the issue of the invoice, unless the Council agrees to different payment timing for large-scale multi-stage developments. <i>Note the Council will only assess and invoice on a land use consent if a building consent is not needed.</i>
Service connection	At the issue of the approval for connection

6.18 Prompt payment of DCs is important because, until paid in full, the Council may:

- a. withhold a certificate under section 224(c) of the RMA
- b. withhold a code compliance certificate under section 95 of the Building Act 2004

- c. withhold a service connection to the development
- d. withhold a certificate of acceptance under section 99 of the Building Act 2004.

6.19 Where invoices remain unpaid beyond the payment terms set out here, Council may commence debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution is required.

## **7 Determining infrastructure demand**

- 7.1 To enable a consistent method of charging for DCs, the Policy adopts a standard residential dwelling as its base unit of demand, and then expresses the demands of all other developments relative to that using a concept known as the “Household Unit Equivalent” or “HUE”.
- 7.2 In general, one HUE will be charged per new allotment or residential unit created, although smaller dwellings may attract lower charges.
- 7.3 When determining how many residential units are being created, the Council will deem a residential unit to be any area that:
  - a. is capable of being self-contained
  - b. includes sleeping, cooking, bathing and toilet facilities
  - c. is physically separated, or capable of being separated, from any other residential unit.
- 7.4 For non-residential developments, the number of HUEs is usually expressed per 100m<sup>2</sup> of additional GFA created or impervious surface area (ISA) for stormwater using so-called “conversion ratios”.
- 7.5 Table 4 below summarises the different types of development identified in the policy, and the conversion ratios that apply to each.

**Table 4: HUE payable per type of development**

Activities	HUEs per unit/dwelling				HUEs per 100m <sup>2</sup> GFA/ISA		
	Retirement Village units	Aged Care units	Small Dwellings	Standard Dwellings	Commercial	Retail	Industrial
Water	0.50	0.40	0.67	1.00	0.35	0.35	0.30
Wastewater	0.50	0.40	0.67	1.00	0.35	0.35	0.30
Stormwater	0.50	0.40	0.67	1.00	0.35	0.35	0.30
Transport	0.20	0.10	0.67	1.00	1.20	1.80	0.45
Reserves	0.10	0.05	0.67	1.00	0.00	0.00	0.00
Community facilities	0.10	0.05	0.67	1.00	0.00	0.00	0.00

7.6 By default, residential subdivisions will be levied one HUE per new lot created for each activity in the table above.

**Special assessments**

7.7 Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of HUEs – such as large-scale primary sector processors or service stations. In these cases, the Council may decide to undertake a special assessment of the HUEs applicable to the development. In general, special assessments of residential developments will not be considered.

7.8 Without limiting the Council’s discretion, when determining an application for a special assessment or a special assessment is initiated by the Council, the demand measures set out in Table 5 below will be used as a guide.

**Table 5: Base Units of Demand**

Type of community facility and network	Usage Measure per HUE
Water supply	780 litres (Water loading units calculated using the number and type of proposed water fixtures and based on reservoir storage requirement)
Wastewater	585 litre (75% of the water supply input and conservation systems are not considered)
Stormwater	250 m <sup>2</sup> ISA (50% of the average land size for a detached house)
Traffic and roading	10 trips
Reserves	20m <sup>2</sup> (Maximum to be charged under LGA02 and the Council will only take monetary contribution in practice)



- 7.9 Any application for a special assessment must be accompanied by the fee payable to recover the Council's actual and reasonable costs incurred, including Council staff's hourly rate. The fee will be assessed at the time of the application. The Council may levy additional fees to meet the Council's actual costs, should they be materially higher than initially assessed.
- 7.10 If a special assessment is undertaken, the Council may require the developer to provide information on the demand for community facilities generated by the development. The Council may also carry out its own assessment for any development and may determine the applicable DCs based on its assessments.

**Credits**

- 7.11 Credits acknowledge that a lot, home, or business may already be connected to, or lawfully entitled to use, one or more Council services, or that a development contribution has been paid previously. Credits can reduce or even eliminate the need for a DC. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.
- 7.12 Council issues credits for the number of HUEs for which DC were previously paid and/or for the existing or most recent prior use of the site. For example, if an existing dwelling is demolished and replaced by two new ones, a credit will be issued for the existing dwelling so that DCs are payable only for the additional dwelling created (over and above what previously existed on the site). Where credit consideration is for residential allotments existing as at 1 July 2005, one credit will be granted for each HUE.
- 7.13 Table 6 illustrates how standard credits are given under different situations.

**Table 6: Standard credits**

	Credit for each service for which a development contribution has been paid	Credit for urban lots that existed before 1 July 2005	Credit for lawfully connected service as at 1 May 2022	Rural Residential lots that existed BEFORE 1 July 2005	Rural lots that existed BEFORE 1 May 2022
Residential units or lots	The number of HUEs	1 HUE for all services	1 HUE for the service(s) connected	1 HUE	1 HUE for any residential units on a lot as at 1 May 2022*

Non-residential buildings or lots		A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 4, will be undertaken to determine credits and any increase in demand on services. Council will be guided by actual use over the period [date – date] when making this assessment.
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\*Roading, community infrastructure, and reserves only.

## 8 Review rights

8.1 Developers are entitled under the LGA02 to request a reconsideration or lodge a formal objection if they believe the Council has made a mistake in assessing the level of DCs for their development.

### ***Reconsideration***

8.2 Reconsideration requests are a process that formally requires the Council to reconsider its assessment of DCs for a development. Reconsideration requests can be made where the developer has grounds to believe that:

- a. the DC levied was incorrectly calculated or assessed under the Policy
- b. Council has incorrectly applied the Policy
- c. the information the Council used to assess the development against the Policy, or the way that the Council has recorded or used that information when requiring a DC, was incomplete or contained errors.

- 8.3 To seek a reconsideration, applicants must lodge a reconsideration request within 10 working days of receiving the DC notice by emailing it to [developmentcontributions@wcc.govt.nz](mailto:developmentcontributions@wcc.govt.nz).
- 8.4 Applications with insufficient information or without payment of the associated fee will be returned to the applicant, with a request for additional information or payment.
- 8.5 Once the Council has received all required information, the request will be considered by a designated DC advisor and the Council's infrastructure advisors. Before reaching their decision, they will consider all of the information supplied by the applicant and apply the requirements of the policy, along with any other relevant information. The result of the reconsideration decision may confirm the original assessment, or increase or decrease the amount required.
- 8.6 Notice of the Council's decision will be given to the applicant within 15 working days from the date on which the Council received all the required relevant information relating to the request.
- 8.7 If the applicant objects to the decision, they may request that it is considered by the Council's Regulatory Process Committee for a final decision.
- 8.8 The Council will not accept any reconsideration request received after the 10 working day period, or where an objection has already been lodged under section 199C of the LGA02.
- 8.9 The Council reserves the right to reconsider an assessment if it believes an error has been made.

### **Objections**

- 8.10 Objections are a more formal process that allows developers to seek a review of the Council's decision. Developers have the right to pursue an objection regardless of whether a reconsideration request has been made. A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and the Council, although either party may seek a judicial review of the decision.
- 8.11 Objections may only be made on the grounds that the Council has:
  - a. failed to properly take into account features of the development that would, on their own or cumulatively with other developments, substantially reduce the impact of the development on requirements for community facilities in the city or parts of the city
  - b. required a development contribution for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments
  - c. required a development contribution in breach of section 200 of the LGA02; or

d. incorrectly applied the Policy to the development.

8.12 Schedule 13A of the LGA02 sets out the objection process. To pursue an objection, the applicant must:

- a. lodge the request for an objection within 15 working days of receiving the development contribution notice, or within 15 working days of receiving the outcome of any request for a reconsideration
- b. lodge the request by email to: [developmentcontributions@wcc.govt.nz](mailto:developmentcontributions@wcc.govt.nz) and in the email note the grounds for the objection and provide any supporting information
- c. pay a deposit to cover potential reasonable costs to the Council.

8.13 Objectors are liable for the Council's actual and reasonable costs incurred in the objection process including staff arranging and administering the process, commissioner's time, and other costs incurred by the Council associated with any hearings such as room hire and associated expenses, as provided by section 150A of LGA02. However, objectors are not liable for the fees and allowances costs associated with any Council witnesses.

## **9 Other operational matters**

### ***Refunds***

9.1 Sections 209 and 210 of the LGA02 state the circumstances where DCs must be refunded, or land returned. In summary, the Council will refund DCs paid if:

- a. the resource consent:
  - i. lapses under section 125 of the RMA
  - ii. is surrendered under section 138 of the RMA
- b. the building consent lapses under section 52 of the Building Act 2004
- c. the development or building in respect of which the resource consent or building consent was granted does not proceed
- d. the Council does not provide the reserve or network infrastructure for which the DCs were required.

9.2 The Council will also provide refunds where overpayment has been made (for whatever reason).

9.3 The Council may retain any portion of a DC referred to above of a value equivalent to the costs incurred by the Council in relation to the development or building and its discontinuance.

9.4 The Council may retain a portion of a DC (or land) refunded of a value equivalent to:

- a. any administrative and legal costs it has incurred in assessing,

- imposing, and refunding a DC or returning land for network infrastructure or community infrastructure DCs.
- b. any administrative and legal costs it has incurred in refunding a DC or returning land for reserve DCs.
- 9.5 DCs for reserves are taken to support a 10-year programme. Consequently, a 10-year period shall apply for the purposes of section 210(1)(a) of the LGA02.

***Limitations on imposing DCs***

- 9.6 The Council is unable to require a DC in certain circumstances, as outlined in section 200 of the LGA02, if, and to the extent that:
- a. it has, under section 108(2)(a) of the RMA, imposed a condition requiring a financial contribution on a resource consent in relation to the same development for the same purpose; or
  - b. the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure; or
  - c. a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure or community infrastructure.
- 9.7 In summary, DCs will only be imposed where the same reserve, network infrastructure or community infrastructure is not being fully-funded by any other revenue or funding sources, or in-kind or vested assets, or the Council has already required a DC for the same purpose in respect of the same development.
- 9.8 In addition, the Council will not require a DC in any of the following cases.
- a. Except in the case of a new dwelling, building work for which a building consent has a GFA of less than 10m<sup>2</sup>, unless the building consent is for a change of use.
  - b. In relation to any dwelling, replacement development, repair or renovation work generates no additional demand for reserve or network infrastructure.
  - c. The development is being undertaken by the Council. This exemption does not apply to developments undertaken by or on behalf of Council organisations, Council-controlled organisations or Council-controlled trading organisations, as defined in section 6 of the LGA02.
  - d. The conversion of an existing unit developments into unit titles. This does not apply to any building consents required as part of any changes to existing units, which the Council will still assess to determine if DCs are applicable.
  - e. A building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.
  - f. The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown.

- g. In rural areas for stormwater DCs, where no Council stormwater systems are provided.
  - h. For water and/or wastewater DCs if a development does not connect to the Council's water supply and/or wastewater reticulation systems.
- 9.9 However, the Council may require another DC to be made for the same purpose if there is an increase in the scale or intensity of the development since the original contribution has been paid.

***Works and services conditions under the RMA***

- 9.10 The Council may impose a condition under s108(2)(c) of the RMA requiring works or services, in the form of isolated and localised infrastructure, to be undertaken to mitigate potential adverse effects arising from a proposed development. For instance, the Council may impose a condition of consent requiring retention tanks for delayed discharge of waste or storm water where there would otherwise be an adverse effect on the waste or storm water network if it was not provided. Where this occurs, it does not offset the payment of a DC or financial contribution, which fund planned Council infrastructure.

***Maximum development contributions for reserves***

- 9.11 Section 203 of the LGA02 prohibits the Council from charging development contributions for reserves that exceed the greater of:
- a. 7.5% of the value of the additional lots created by a subdivision
  - b. the value equivalent of 20m<sup>2</sup> of land for each additional household unit or accommodation unit created by the development.
- 9.12 If the reserves DCs would be more than 7.5% of the market value of a lot, as evidenced by registered valuer, the reserves DCs are capped at 7.5% of the valuation.
- 9.13 For example, the DCs for reserves Grenada-Lincolnshire is \$6,820 (GST inc) per HUE, which translates to 7.5% of an allotment value of approximately \$90,933. If the lot is valued at less than \$90,933, the reserves development contribution will be capped at 7.5% of the valuation of the lot.
- 9.14 The Council reserves the right to seek a second valuation from another registered valuer. If there is a material difference between valuations, the Council and the developer can agree to:
- a. use the average of the two valuations
  - b. refer the matter to a third registered valuer for arbitration.

***Postponement***

- 9.15 Postponement of DC payment will only be permitted at the Council's discretion and usually only:
- a. for DCs over \$50,000
  - b. where a bond or guarantee equal in value to the payment owed is provided.

- 9.16 The request for postponement must be made before a payment becomes due.
- 9.17 Bonds or guarantees:
- a. will only be accepted from a registered trading bank
  - b. shall be for a maximum period of 24 months beyond the normal payment date set out in the Policy, subject to later extension as agreed by Council
  - c. will have an interest component added, at an interest rate of 2 percent per annum above the Reserve Bank 90-day bank bill rate on the day the bond or guarantee document is prepared. The bonded or guaranteed sum will include interest, calculated using the maximum term set out in the bond or guarantee document. If the Council agrees to an extension of the term of the bond or guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of the Council's decision and the bonded or guaranteed sum will be amended accordingly
  - d. shall be based on the GST inclusive amount of the contribution.
- 9.18 At the end of the term of the guarantee, the DC (together with interest) is payable immediately to the Council.
- 9.19 If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.
- 9.20 When considering a request for postponement, the Council will take into account:
- a. the purpose of development contributions, the Council's financial modelling, and Council's funding and financial policies
  - b. the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme
  - c. any other matter(s) that the Council considers relevant.

***Development Agreements***

9.21 The Council may enter into an agreement with a developer for the provision and/or funding of particular infrastructure, as enabled by sections 207A-207F of the LGA02. For activities covered by a development agreement, the provisions of that agreement take precedence over the DCs that would otherwise be assessed under the Policy.

***Remissions***

9.22 The Council may remit all or part of a DC at its sole discretion, but only in exceptional circumstances. Applications made under this clause will be considered on their merits and any previous decisions of the Council will not act as binding precedents.

9.23 Any request for remission must be made in writing and set out the reasons for the request. The request must be made:

- a. within 15 working days after the Council has issued a notice for the DC payable; and
- b. before the DC payment is made to the Council.

9.24 The Council will not allow retrospective remissions of DC.

9.25 The Council delegates to the chief executive officer, in conjunction with the Chair of the Regulatory Processes Committee of the Council, with authority to delegate to officers, the authority to make a decision on a request for remission.

9.26 When considering a request for remission, the Council will take into account:

- a. the purpose of development contributions, the Council's financial modelling and the Council's funding and financial policies
- b. the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme
- c. any other matters that the Council considers relevant.



## **10 Summary of financial contributions under the district plan**

- 10.1 The Council may charge FCs under the RMA in the District for stormwater, sewer (wastewater), water, traffic and reserves.
- 10.2 Section 3.4 of the Operative Wellington City District Plan (District Plan) sets out the policies and rules for the imposition of conditions requiring FCs for land use and subdivision consents. These are distinct from and in addition to DCs taken under this Policy.
- 10.3 FCs may be imposed where individual developments give rise to capital expenditure that is not planned and recovered via DCs. If this is the case, the Council may impose a FC as a condition of a land use or subdivision consent, in accordance with sections 3.4 of the Financial Contributions section in the District Plan.
- 10.4 Further information on FC can be found in the District Plan. The District Plan can be found on Council's website [www.wellington.govt.nz](http://www.wellington.govt.nz).

## 11 Definitions

11.1 In this Policy, unless the context otherwise requires, the following definitions apply:

**Accommodation unit** has the meaning given in section 197 of the LGA02.

**Activity** means the provision of facilities and amenities within the meaning of network infrastructure, reserves, or community infrastructure for which a development contribution exists under the Policy.

**Aged care unit** means a residential unit in a rest home as defined in section 58(4) of the Health and Disability Services (Safety Act 2001).

**Allotment (or lot)** has the meaning given to allotment in section 218(2) of the RMA.

**Asset Management Plan** means Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

**Bedroom** means any habitable space within a residential unit capable of being used for sleeping purposes and can be partitioned or closed for privacy including spaces such as a “games”, “family”, “recreation”, “study”, “office”, “sewing”, “den”, or “works room” but excludes:

- any kitchen or pantry;
- bathroom or toilet;
- laundry or clothes-drying room;
- walk-in wardrobe;
- corridor, hallway, or lobby;
- garage; and
- any other room smaller than 6m<sup>2</sup>.

Where a residential unit has any living or dining rooms that can be partitioned or closed for privacy, all such rooms except one shall be considered a bedroom.

**Capacity life** means the number of years that the infrastructure will provide capacity for and associated HUEs.

**Catchment** means the areas within which development contributions charges are determined and charged.

**Commercial activity** means any activity trading in goods, equipment or services. It includes any ancillary activity to the commercial activity (for example administrative or head offices). [See the National Planning Standards 2019.](#)

**Community facilities** means reserves, network infrastructure, or community infrastructure as defined by the LGA02, for which development contributions may be required.

**Community infrastructure** means:

- land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities; and
- includes land that the Council will acquire for that purpose.

**Council** means Wellington City Council.

**Development** means any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).

**Greenfield development** means a proposal that creates new residential or rural residential areas, and without limiting this definition in any way, includes residential or rural residential on land that is or was zoned rural or open space.

**Gross floor area (GFA)** means the sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, liftwells or stairwells) measured:

- where there are exterior walls, from the exterior faces of those exterior walls;
- where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

[See the National Planning Standards 2019.](#)

**Household Unit Equivalent (HUE)** means demand for Council services equivalent to that produced by a nominal household in a standard residential unit.

**Industrial activity** means an activity that manufactures, fabricates, processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or goods. It includes any ancillary activity to the industrial activity.

**LGA02** means the Local Government Act 2002.

**Network infrastructure** means the provision of transportation (roading), water, wastewater and stormwater infrastructure.

**Policy** means this Development Contributions Policy.

**Reserve** means land for public open space and improvements to that land needed for it to function as an area of usable green open space. This land is used for recreation, sporting activities and the physical welfare and enjoyment of the public, as well as for the protection of the natural environment and beauty of the countryside (including landscaping, sports and play equipment, walkways and cycleways, carparks, and toilets). In the Policy, reserve does not include land that forms, or is to form, part of any road; or is used, or is to be used, for stormwater management purposes.

**Residential unit** means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities. [See the National Planning Standards](#)

[2019.](#)

**Residential activity** means the use of land and building(s) for people's living accommodation. [See the National Planning Standards 2019.](#)

**Retail activity** means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity.

**Retirement unit** means any dwelling unit in a retirement village (defined in the Retirement Villages Act 2003) but does not include aged care rooms in a hospital or similar facility.

**RMA** means the Resource Management Act 1991.

**Service connection** means a physical connection to an activity provided by, or on behalf of, the Council (such as water, wastewater or stormwater services).

**Small dwelling** means a residential unit which only has one bedroom and includes a studio unit/apartment that does not have a separate bedroom.

**Standard dwelling** means a residential unit which has two or more bedrooms.

## PART 2: POLICY DETAILS

### 12 Requirement to have a policy

12.1 The Council is required to have a policy on DCs and FCs in its Long-term Plan (LTP) under section 102(2)(d) of the LGA02. The Policy meets this requirement.

### 13 Funding summary

13.1 In the LTP 2024/34, the Council plans to incur around \$4.86 billion on community facilities partially or wholly needed to meet the increased demand for community facilities resulting from the asset investment that has a growth component. This includes works undertaken in anticipation of growth, and future planned works. The total amount to be funded by development contributions is nearly \$750 million.

13.2 Table 7 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for all activities and catchments.

**Table 7. Total cost of capital expenditure for growth and funding sources**

<b>Community Facilities</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by Development Contributions (\$000)</b>
Parks and Reserves - Catchment	20,107	14,503
Parks and Reserves -City Wide	298,707	85,934
Transport - Catchment	65,934	36,108
Transport - City Wide	909,150	455,617
Storm Water - City Wide	172,569	1,669
Wastewater - City Wide	466,949	7,721
Wastewater - Catchment	155,750	0
Water Supply - Catchment	142,554	94,652
Water Supply - City Wide	400,039	40,612
Community Infrastructure -City Wide	167,113	9,829
<b>Total</b>	<b>2,790,886</b>	<b>746,645</b>

## **14 Funding policy summary**

### ***Funding growth expenditure***

- 14.1 The Long-Term Plan sets out that the long-term population forecast for Wellington City is growth of between 50,000 to 80,000 over the next 30 years.
- 14.2 Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by Council. Accordingly, significant investment in new or upgraded assets and services are required to meet the demands of growth.
- 14.3 The Council has decided to fund these costs from:
- a. DCs under the LGA02 for:
    - i. Water
    - ii. Wastewater
    - iii. Stormwater
    - iv. Transport
    - v. Reserves
    - vi. Community infrastructure.
  - b. FCs under the RMA, where individual developments give rise to capital expenditure that is not covered by DCs, for:
    - i. Stormwater
    - ii. Sewer (wastewater)
    - iii. Water
    - iv. Transport
    - v. Reserves.
- 14.4 In reaching this decision, the Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within the Policy.
- 14.5 The Revenue and Financing Policy is the Council's primary and overarching statement on its approach to funding its activities. It outlines how all activities will be funded, and the rationale for the Council's preferred funding approach.

14.6 The Council is required under section 106(2)(c) of the LGA02 to explain within the Policy why it has decided to use DCs and financial contributions to fund capital expenditure relating to the cost of growth. For this purpose, the Council has considered community outcomes and other funding decision factors.

**Community outcomes**

14.7 The Council has considered whether DCs and FCs are an appropriate source of funding for growth infrastructure, to achieve the following four community outcomes under section 101(3)(a)(i) of the LGA 02.

- a. Environmental - a sustainable, climate friendly eco capital: A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations
- b. Social - A people friendly, compact, safe, and accessible capital city: An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe, and healthy
- c. Cultural - An innovative, inclusive, and creative city: Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve, and enjoy arts, culture, and heritage
- d. Economic - A dynamic and sustainable economy: The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.

14.8 Charging new development for the additional infrastructure ensures a fair contribution to the planned work to support the community outcomes, including funding and investment to (for example):

- a. lift the resilience of the three waters system, including the construction of the Omāroro reservoir to serve a larger population, and infrastructure to lift water quality
- b. ensure the transport system provides efficient and reliable access across the city to support growth
- c. continue investment in parks in the context of a growing population.

**Other funding decision factors**

14.9 The Council has considered the funding of growth-related community facilities against the following matters under sections 101 (3)(a)(ii) – (v):

- a. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, and the extent to which the actions or inaction of particular groups or individuals contribute to the need to undertake the activity.
- b. The period in or over which those benefits are expected to occur.

- c. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

14.10 A summary of the assessment of other funding decision factors is provided in the following table.

**Table 8: Other funding decision factors**

<p>Who Benefits / whose act creates the need</p>	<p>A significant portion of the Council’s work programme over the next 10 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme, and how much it serves and benefits existing ratepayers, is determined for each asset or programme.</p> <p>The Council believes that the growth costs identified through this process should be recovered from development, as this is what creates the need for the expenditure and /or benefits principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates.</p> <p>The Catchment determination section below outlines how the Council determined the catchments for DCs in the Policy.</p>
<p>Period of benefit</p>	<p>The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the “capacity life” of such assets spans decades.</p> <p>DCs allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to their cost, regardless of whether the developments happen now or in the future.</p> <p>Financial contributions are used for works and services for new use and development not covered by DCs.</p>
<p>Funding sources &amp; rationale including rationale for separate funding</p>	<p>The cost of supporting development in the district is significant. DCs and FCs send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth.</p> <p>The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for DCs.</p>



### ***Overall impact of liability on the community***

- 14.11 Council considers it is appropriate that DCs fund additional capacity required for growth under section 101(3)(b) of the LGA02. The benefits of that expenditure accrue (mainly or exclusively) to the new dwellings and business premises that generate the demand for extra capacity in the first place. As DCs paid by developers will likely be passed on to the buyers of new households and business premises (at least partly), the resulting cost burden will be borne by the associated beneficiaries of the additional capacity provided. This is both equitable and economically efficient because DC “prices” aligns with the costs of service provision.
- 14.12 Conversely, the cost of maintaining or improving levels of service for the existing population rightfully cannot be recovered from DCs because growth does not cause such expenditures, nor does it usually materially benefit from them.

## **15 Catchment determination**

- 15.1 When setting DCs, the Council must consider how to group developments within catchments for each activity.
- 15.2 The LGA02 is permissive in this respect, but urges that:
- a. The grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity
  - b. Grouping by geographic area avoids grouping across an entire district wherever practical.
- 15.3 The Council has determined that there will be:
- a. Five transport catchments
  - b. Thirteen specific water supply catchments
  - c. Three wastewater catchments
  - d. An inner-city catchment and greenfield catchments for reserves.
- 15.4 The Council has also determined city-wide catchments for:
- a. network infrastructure for transport and the water supply, stormwater and wastewater reticulation networks
  - b. reserves that are destination amenities
  - c. community infrastructure.
- 15.5 The Council considers that this strikes the right balance between practical and administrative efficiency, and considerations of fairness and equity for the following reasons.
- a. Keeping the policy as simple as practicable
  - b. Providing flexibility to deliver growth infrastructure where it is most needed
  - c. Reconciling the contributions as closely as practicable to the areas where developments have generated the need for capital

- expenditure on new assets, or assets of increased capacity
- 15.6 The more localised catchments at 15.3 and their boundaries are based on communities of interest, the geography of the city, the characteristics of the infrastructure and service it provides, and the common benefits received across the geographical area supplied by the infrastructure being funded by DCs. Projects or programmes that provide capacity and benefits for more than one catchment are attributed to all relevant catchments, and growth costs are shared among them accordingly.
- 15.7 Specific catchments have been defined as follows:
- a. Transport – there are five catchments related to three new roading areas and two significant upgrade areas
  - b. Water supply – these are based on the 13 specific water supply catchments where identified water reservoirs and pumping station upgrades are required to provide for growth, as these are the most numerous type of catchment, they are listed first, and other catchments will be allocated to one of these
  - c. Wastewater – these are based on the service areas of the three wastewater treatment plants at Moa Point, Western (Karori) and Porirua (Northern Suburbs). The Moa Point and Western plants were built to provide significant capacity for growth over a long period of time.
  - d. Reserves – an inner city catchment (including Pipitea) and for Greenfield development.
  - e. Stormwater – stormwater is only allocated citywide and is incorporated into the citywide contribution.
- 15.8 The citywide catchment is used where it is not practicable to disaggregate a project or programme into discrete catchments. In particular, a citywide catchment is applied to:
- a. Network infrastructure where the systems are characterised by interdependent components where development growth adversely impacts other areas of the network if action is not taken to mitigate those effects. The network infrastructure attracting citywide DCs will comprise transport and the water supply, stormwater and wastewater reticulation networks.
  - b. Reserves that are destination amenities used by groups from across the city (and beyond) such as the Botanic Gardens.
  - c. Community infrastructure used by groups from across the city (and beyond) such as the library and sportfields.

15.9 The catchments with project capital expenditure for growth and related HUE charges are listed in Schedule 1.

15.10 The citywide catchment for water excludes catchments I and J, as water is supplied directly from the bulk water main and does not rely on the wider city network. The water supply distribution network in these catchments will be provided by developers at their cost as they develop within the catchments.

## **16 Significant assumptions of the policy**

### ***DC calculation methodology***

16.1 In developing a methodology for the DCs in the Policy, the Council has taken an approach to ensure that the cumulative effect of development is considered across each catchment.

### ***Planning horizons***

16.2 A 10-year timeframe has been used for assessing the growth-related portions of capital works, which aligns with the LTP. However, those growth related works may be recovered from developments over timeframes of up to 30 years to reflect the long capacity lives of many projects or programmes.

### ***Projecting growth***

16.3 The LTP is based on long-term population growth of 50,000 to 80,000 additional people over the next 30 years. The district has experienced steady population and economic growth, and this growth is forecast to increase further. Figures provided by Sense Partners, commissioned by Wellington City Council, indicate steady population growth in the district, with the number of residents increasing by an average of 0.8% per annum between 2024 - 2043. This equates to 14,701 households. The suburbs with the predicted greatest increase in population between 2024 and 2043 are the City Centre, Te Aro, and Newtown as a result of intensification. There is also high growth in the Grenada Village-Paparangi-Woodridge-Horokiwi areas as a result of greenfield developments.

16.4 The average household size is projected to reduce slightly from 2.5 persons in 2024 to 2.4 by 2043.

16.5 Most business growth in Wellington City will be in the commercial or government sectors. The CBD has the most capacity for redevelopment for commercial and retail activities and remains attractive for a mix of business uses. It is likely that a significant share of commercial and government growth will be met by redevelopment of the CBD rather than other business areas.

16.6 Using Sense Partners (2022) projections and the Housing and Business Needs Assessment (2023) as a base, the key assumptions about future growth are:

a. Years 2024-2033:

- i. Population growth in the district of around 0.81% (or around 1,678 people) per annum.
- ii. Residential unit growth in the district of around 0.87% (or around 800 households) per annum.

iii. Development of around 70,962m<sup>2</sup> GFA annually for business space, primarily through redevelopment of existing business land.

b. Years 2034-2043:

i. Population growth in the district of around 0.83% (or around 1,996 people) per annum.

ii. Residential unit growth in the district of around 0.72% (or around 729 households) per annum.

iii. Development of around 70,962m<sup>2</sup> GFA annually for business space primarily through redevelopment of existing business land.

16.7 Council forecasts demand of approximately 2,316 HUEs for retail, 8,258 HUEs for commercial and 3,618 HUEs for Industrial business development over the next 20 years to accommodate:

a. population growth with related business land

b. government and commercial sectors demanding business space.

16.8 Lincolnshire Farm will provide around 45 hectares for business activities. An area known as Hyde Farm, next to the Grenada North industrial area, is proposed to be rezoned for general industrial. However, demand for industrial land is projected to drop as a result of a number of factors, ranging from changes in the nature of industrial activity, the impacts of natural hazards, the availability of transport infrastructure and land prices.

16.9 The combined demand forecast is approximately 28,702 HUEs over 20 years – 15,929 HUEs for households and 12,773 HUEs for business. Further information about these forecasts can be found in the Council's 2024-2033 Long-term Plan and on Council's website [wellington.govt.nz](https://www.wellington.govt.nz). HUE growth catered for in each project, and the areas it relates to, are set out in Schedule 2.

**Best available information**

16.10 DCs are based on capital expenditure budgets included in the LTP, which reflect the best available information at the time of preparation. As better information becomes available the Policy will be updated, generally through Annual Plan and/or LTP processes.

***Key risks/effects***

- 16.11 There are two key risks associated with administering DCs.
- a. Growth predictions do not eventuate, resulting in a change to the assumed rate of development. To manage this risk, the Council will continue to monitor the rate of growth and update its assumptions periodically as required.
  - b. There is a time lag between expenditure incurred by the Council and DCs received, resulting in less DC received than that assumed in the funding model. This will also be managed by regularly monitoring growth and updating associated assumptions as required.

***Service assumptions***

- 16.12 Methods of service delivery and levels of service are assumed to be unchanged and remain in accordance with the Council's LTP, asset management plans and technical specifications, land development manual and engineering standards.

***Funding model***

- 16.13 A funding model has been developed to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including that:
- a. All capital expenditure estimates are inflation adjusted and GST exclusive.
  - b. The levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the Cost allocation section below.
  - c. Growth costs are spread over each asset's capacity life, including any net debt costs arising, up to a maximum of 30 years.

***Cost allocation***

- 16.14 The Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, LOS/backlog, and renewal. Council's general approach to this is summarised as:
- a. Where a project provides for, and benefits, only growth, 100% of its cost is attributed to growth. To qualify for this, there would have to be no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
  - b. If a project provides for growth, renewals and LOS, the Council will first remove any renewal costs and split the remainder between growth and LOS according to the shares of additional capacity consumed.

16.15 For particularly large and expensive projects, the Council may undertake a specific cost apportionment assessment that differs from the general approach outlined above.

## 17 Calculating the development contributions

17.1 This section outlines how the DCs were calculated in accordance with section 203 and Schedule 13 of the LGA02.

### Process

17.2 The steps needed to determine growth, growth projects, cost allocations, and to calculate the DCs charges are summarised in Table 9.

**Table 9: Summary of DC calculation methodology**

Step	Description / comment	Examples and References
1. Forecast growth	The Council estimates potential land supply and likely take up of that land. The estimates help provide household and business growth forecasts for up to 30 years.	Refer Section 16.3, projecting growth.
2. Identify projects required to facilitate growth	The Council develops the works programme needed to facilitate growth. In some cases, the Council may have already undertaken the work. The programme in the Policy is for 10 years – however some projects will be in the schedule until their capacity life is used up.	Refer Schedules 1 and 2. Example: <ul style="list-style-type: none"> <li>New roads in Grenada-Lincolnshire are expected to serve 7,219 HUES and costs are apportioned for these – these are likely to be collected in the next 10 years.</li> </ul>
3. Determine the cost allocation for projects	The cost of each asset or programme is apportioned between renewal, growth, and LOS/backlog in accordance with the approach outlined in the Cost allocation section 16.13 above.  Schedules 1 and 2 of the Policy outline the amount required to fund growth from development contributions for each of these assets or programmes.	Refer Schedules 1 and 2. Example of a project (made up for indicative purposes):  Replacing a playground built in 1970 at Capital Cost \$120,000.  Renewal: \$60,000  LOS/backlog: \$40,000 covers requirements for new health and safety regulations and more people who may already in the neighbourhood  Growth: \$20,000 spend to make it bigger for an additional 300 families expected in the neighbourhood.
4. Determine growth costs to be funded by development contributions	The Council determines whether to recover all of the growth costs identified in step 3 from DCs, or whether some of the growth costs will be funded from other sources.	In the example, the \$20,000 could be fully funded from DCs. If there were a central government fund for some make safe features, for example, \$5,000 to replace dangerous equipment, this reduces to \$15,000 from development contributions.
5. Divide development	The growth costs from step 4 are divided by the estimated capacity	Divide the remaining \$15,000 capital by, an estimated 300 new

<b>Step</b>	<b>Description / comment</b>	<b>Examples and References</b>
contribution funded growth costs by capacity lives	life (defined in HUEs) to provide a charge per HUE for each future and past asset and programme.	households (300 HUEs) expected in the next 10 years, this will be \$50 per new residential development in the area.
6. Sum all per asset charges	For each catchment and activity, add up the per HUE asset or programme charges to provide a total. For each activity and catchment, DCs fund the programme on an aggregated basis.	Schedules 1 and 2 provide all the assets and costs to be met from development. Some examples from Schedule 2 are noted below.  For each HUE the components are all added, as per Part 1, Table 1.

***Summary of calculations***

17.3 Table 1 summarises the calculation of the charge per HUE for each activity and catchment added up at step 6. Schedules 1 and 2 provide information on each asset or programme including the information in steps 2 - 5.



## Schedule 1 – Development contribution calculations

Schedule 1 provides the forecast future capital expenditure on assets or programmes attributable to new growth in accordance with section 201A of the LGA02. All figures exclude GST. All charges are provided in Part 1, Tables 1 and 2 of this policy. This Schedule has additional information about the total capital expenditure.

### **Schedule 1.A Citywide Infrastructure Contributions**

Charges identified as being citywide for projects with a citywide benefit, which are not attributable to specific catchments. DCs for community infrastructure were added in 2022 in accordance with the LGA02. These are all identified as citywide charges. Some could be considered under “Parks and Reserves” and may be reclassified in future. The classification in “Parks and Reserves” or “Community Infrastructure” does not change the part liable for DCs or total DCs.

There are no community infrastructure charges for non-residential development.

Activity	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	Citywide DCs \$ per HUE
Community Infrastructure	9,829	9,829	\$347
Parks and Reserves -City Wide	85,934	85,934	\$4,478
Transport - City Wide	455,617	455,617	\$7,890
Storm Water - City Wide	1,669	1,669	\$49
Wastewater - City Wide	7,721	7,721	\$272
Water Supply - City Wide	40,612	40,612	\$637
<b>Total</b>	<b>601,382</b>	<b>601,382</b>	<b>\$13,673</b>

### **Schedule 1.B Water supply (by catchment)**

Water Supply Catchment	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	DCs per HUE (\$)
Central and Coastal	86,472	94,652	5,472

### **Schedule 1.C Transport**

Three traffic and roading catchments apply to new roads, two as part of the Northern Growth Management Plan, the third recognises growth around the port and rail yards land at the northern gateway to the city. The other two transport catchments are Adelaide Road where some costs are attributed in part to citywide at Schedule 1.B and some to the local area due to a combination of citywide and local growth.

Catchment	Total Cost of Capital Works (\$000)	Total Growth Component to be	DCs per HUE (\$)
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		<b>funded by DCs (\$000)</b>	
Churton - Stebbings	15,307	6,276	14,781
Grenada - Lincolnshire	25,309	17,969	18,672
Pipitea Precinct	11,409	7,741	10,896
Adelaide Road	1,226	1,081	9,794

**Schedule 1.D Reserves**

Reserves charges are made citywide and by Inner City Parks Pipitea Precinct and Grenada-Lincolnshire in view of new purchases.

There are no reserves charges for non-residential development.

<b>Catchment</b>	<b>Total Cost of Capital Works (\$000)</b>	<b>Total Growth Component to be funded by DCs (\$000)</b>	<b>DCs per HUE</b>
Inner City Parks (includes Pipitea)	13,309	8,084	6,305
Grenada- Lincolnshire	6,799	6,031	6,820

**Schedule 2: Assets and programmes funded by development contributions**

Provides the capital expenditure incurred on assets and programmes attributable to new growth constructed in anticipation of growth, in accordance with section 201A of the LGA02. All figures exclude GST.

Development Contribution Category	Purpose	Name	Description	Project Reference	Catchment	Growth %	Cost (\$000)
<b>Community Facilities</b>							
Community facilities	Recreation Centres	Recreation Management & Administration	Rec Centre Upgrades	2010432048	Citywide	100%	\$433
Community facilities	Recreation Centres	Recreation Management & Administration	Rec Centre Upgrades	2010432048	Citywide	100%	\$9,396
<b>Parks &amp; Reserves</b>							
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Bellmont Gully Lincolnshire Farms Reserve Property Purchase	2008132001	Citywide	100%	-\$230
Parks & Reserves	Public Toilets	Parks Project Costs	Pub Conven/Pavil Upg	2010462063	Citywide	100%	-\$36
Parks & Reserves	Public spaces and centres development	Public Space Design	Pocket parks - 153 Cuba Street	2010672070	Citywide	100%	\$16
Parks & Reserves	Public Toilets	Parks Project Costs	Pub Conven/Pavil Upg	2010462063	Citywide	100%	\$18
Parks & Reserves	Public spaces and centres development	Public Space Design	Pocket parks - 44 Fedrerick Street	2010662070	Citywide	100%	\$66
Parks & Reserves	Town belts	Parks Project Costs	PSR Town Belt & Reserves - Upgrades	2010352009	Citywide	100%	\$80
Parks & Reserves	Walkways	Parks Project Costs	Lincolnshire Belmont	2010392010	Citywide	100%	\$98
Parks & Reserves	Public spaces and centres development	Public Space Design	Pocket parks - 44 Fedrerick Street	2010662070	Citywide	100%	\$95
Parks & Reserves	Town belts	Parks Project Costs	Huetepara Park Lyall Bay	2011142009	Citywide	100%	\$151

Parks & Reserves	Burials and Cremations	Cemetery & Crematorium	Makara Cemetery Expansion	2010572062	Citywide	100%	\$289
Parks & Reserves	Public Toilets	Parks Project Costs	Pub Conven/Pavil Upg	2010462063	Citywide	100%	\$395
Parks & Reserves	Public Toilets	Parks Project Costs	Lincolnshire Stebbings Public Convenience	2008612063	Citywide	100%	\$577
Parks & Reserves	Walkways	Parks Project Costs	Lincolnshire Belmont	2010392010	Citywide	100%	\$1,077
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Cemetery Land	2010302001	Citywide	100%	\$1,541
Parks & Reserves	Town belts	Parks Project Costs	Huetepara Park Lyall Bay	2011142009	Citywide	100%	\$2,175
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Bellmont Gully Lincolnshire Farms Reserve Property Purchase	2008132001	Citywide	100%	\$2,460
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Bellmont Gully Lincolnshire Farms Reserve Property Purchase	2008132001	Citywide	100%	\$2,554
Parks & Reserves	Public spaces and centres development	Public Space Design	Pocket parks - 44 Fedrerick Street	2010662070	Citywide	100%	\$2,865
Parks & Reserves	Botanical Gardens	Botanic Gardens	Otari Landscape Devel Plan	2010332006	Citywide	100%	\$3,477
Parks & Reserves	Town belts	Parks Project Costs	Reserve Mgt Plan Developments	2010382009	Citywide	100%	\$4,886
Parks & Reserves	Public spaces and centres development	Public Space Design	GNP – Central City Greening	2010652070	Citywide	100%	\$4,541
Parks & Reserves	Burials and Cremations	Cemetery & Crematorium	Makara Cemetery Expansion	2010572062	Citywide	100%	\$5,179
Parks & Reserves	Public spaces and centres development	Public Space Design	Pocket parks - 153 Cuba Street	2010672070	Citywide	100%	\$13,713
Parks & Reserves	Town belts	Parks Project Costs	PSR Town Belt & Reserves - Upgrades	2010352009	Citywide	100%	\$14,919

Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Land Purchases	2010312001	Citywide	100%	\$25,027
Parks & Reserves	Local Parks and Open Spaces	Parks Project Costs	Inner City Parks - Urban	2010692001	Citywide	100%	\$28,069
Parks & Reserves	Parks & Reserves Supply	J Grenada-Lincolnshire	Grenada - Lincolnshire	Historic	J Grenada-Lincolnshire	100%	\$6,031
Parks & Reserves	Parks & Reserves Supply	Inner City - Waitangi Park	Inner City - Waitangi Park	Historic	Q Inner city	100%	\$5,225
Parks & Reserves	Parks & Reserves Supply	Other Inner City Parks	Other Inner City Parks	Historic	Q Inner city	100%	\$3,246
<b>Stormwater</b>							
Stormwater	Stormwater management	Storm Water	WCC SW Network Upgrades - Growth	2010582028	Citywide	100%	\$1,669
<b>Transport</b>							
Transport	Vehicle network	Transport Projects	2087 Petone to Grenada Link	2007472087	Citywide	100%	\$1,683
Transport	Vehicle network	Transport Projects	2087 John Sims Connection	2007492087	Citywide	100%	\$3,016
Transport	Vehicle network	Transport Projects	2087 McLintlock St Link	2007502087	Citywide	100%	\$4,628
Transport	Vehicle network	Transport Projects	2087 Woodridge to Lincolnshire	2001972087	Citywide	100%	\$6,938
Transport	Vehicle network	Transport Projects	2087 Tawa Upper Stebbings	2003752087	Citywide	100%	\$7,718
Transport	Vehicle network	Transport Projects	2087 Mark Ave to Lincolnshire	2003742087	Citywide	100%	\$8,489
Transport	Lets Get Wellington Moving	LGWM – Principal Advisors	Thorndon Quay and Hutt Road	2010152142	Citywide	100%	\$22,878
Transport	Vehicle network	Transport Projects	2087 Mark Ave to Grenada North	2007482087	Citywide	100%	\$55,714
Transport	Vehicle network	Transport Projects	2087 Ohariu to Westchester	2007512087	Citywide	100%	\$86,445
Transport	Lets Get Wellington Moving	LGWM – City Street Project	Pre Implementation – City Streets Programme	2011262141	Citywide	100%	\$113,911
Transport	Lets Get Wellington Moving	LGWM – Principal Advisors	Golden Mile	2010142142	Citywide	100%	\$144,198
Transport	Transport Supply	I	Churton - Stebbings	Historic	I Churton-Stebbing	100%	\$6,276

Transport	Transport Supply	J	Grenada - Lincolnshire	Historic	J Grenada-Lincolnshire	100%	\$17,969
Transport	Transport Supply	KN	Pipitea Precinct	Historic	KN	100%	\$7,741
Transport	Transport Supply	R	Johnsonville Town Centre	Historic	R Johnsonville Town Centre	100%	\$3,040
Transport	Transport Supply	S	Adelaide Road	Historic	S Adelaide Road	100%	\$1,081
<b>Wastewater</b>							
Wastewater	Sewage collection and disposal network	Water Waste (Sewer)	WCC WW Network Upgrades - Growth	2010612024	Citywide	100%	\$7,721
<b>Water Supply</b>							
Water Supply	Water Network	Potable Water	WCC PW Reservoir Upgrades - Growth	2010602020	Citywide	100%	\$40,612
Water Supply	Water Supply	N Central & Coastal	Water catchment charges	Historic	N Central & Coastal	11%	\$94,652

## **PART 3 POLICY CATCHMENT MAPS**

To be updated.





# 2024-34 LONG-TERM PLAN CONSULTATION DOCUMENT AND COMMUNITY CONSULTATION PROGRAMME

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## Kōrero taunaki | Summary of considerations

### Purpose

1. This report asks the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (Committee) to agree the draft 2024-34 long-term plan (LTP) Consultation Document and attached supporting information to undergo auditing before adoption in April.
2. This report also contains the communications and engagement overview for engaging with the community during the formal consultation period in April and May 2024.

### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy

### Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

### Relevant Previous decisions

The Long-term Plan has been developed over the past year with key decisions made by this committee on 9 November 2023 and 14 February 2024.

### Significance

The decision is rated high significance in accordance with schedule 1 of the Council's Significance and Engagement Policy.

### Financial considerations

- Nil       Budgetary provision in Annual Plan / Long-term Plan       Unbudgeted \$X

3. There are no financial implications as the budget was agreed on 15 February. All financial information has been updated to reflect any agreed changes and are included in the supporting documents

**Risk**

|  Low |  Medium |  High |  Extreme

4. Health and safety risks in relation to engagement are outlined in the Communications and Engagement Overview (Attachment 2), with particular emphasis on ensuring the safety of employees, Councillors, and participants based on our and other Local Authorities' recent experiences

Authors	Baz Kaufman, Manager Strategy and Research Amy Brannigan, Senior Advisor Planning and Reporting Raina Kereama, Manager Financial Planning and Policy Maria Belich, Manager Strategic Communications Lexy Seedhouse, Engagement Manager Matthew Deng, Senior Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer Andrea Reeves, Chief Financial Officer

**Taunakitanga | Officers' Recommendations**

Officers recommend the following motion:

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

1. Receive the information.
2. Note that the budget has been updated to reflect the decisions that were approved on 15 February 2024 at the Committee meeting.
3. Note that the LTP Consultation Document has been prepared based on the decisions that were approved by the 15 February 2024 Committee meeting and contains:
  - a. the three key proposals for which there are options for the community to consider
  - b. other proposed changes
  - c. summaries of supporting information.
4. Note that the LTP Consultation Document will be reviewed by Audit NZ on behalf of the Auditor-General, and that the Consultation Document requires an Audit Report before formal consultation can start.
5. Note that the audit of the LTP Consultation Document and supporting information may result in further amendments to the documents to meet auditor requirements. The audit report will be provided to the Committee meeting of 10 April 2024 alongside the final LTP Consultation Document.
6. Note that formal LTP public consultation is scheduled for 12 April to 12 May 2024 and will conform with the Special Consultative Procedure outlined in the Local Government Act 2002.
7. Note the contents of the LTP community consultation and communications programme will include online, print, face-to-face, social media and media channels, including community feedback (online and in writing) and oral hearings as outlined in Attachment 2.

8. Agree the proposed draft LTP Consultation Document (Attachment 1) and supporting information for Audit NZ review.
9. Agree the draft supporting documents (Operating & Capital Activity Reports; Prospective Financial Statements; and Funding Impact Statements) (Attachment 3 - 6) for Audit NZ review.

Delegate to the Chief Executive Officer the authority to make editorial changes to the LTP Consultation Document and Supporting Information to reflect the decisions of this Committee.

## **Whakarāpopoto | Executive Summary**

5. The Draft LTP Consultation Document (CD) signals three key issues that are material to the LTP and need to be consulted on with the public. The three key issues (as resolved at the 15 February Committee) are:
  - Investing in our three waters network
  - Waste collection and funding changes
  - Create a perpetual investment fund through airport share sale
6. The audit of the CD also includes a review of the supporting information comprising of:
  - the proposed budget (note these are draft and subject to audit) including:
    - Operating & Capital Activity Reports;
    - Prospective Financial Statements;
    - Funding Impact Statements – whole of council and rating mechanisms (note we will provide individual activity funding impact statements once finalised to Audit NZ);
  - Asset Management Plans;
  - Fees and Charges;
  - Revenue and Financing Policy;
  - Significant Forecasting Assumptions;
  - Statements of Service Provision; and
  - the Financial and Infrastructure Strategies.
7. The formal LTP consultation process outlined in this paper conforms to the Special Consultative Procedure of the Local Government Act 2002, and will take place from 12 April to 12 May 2024. It will use digital channels, supplemented by print materials and face-to-face hui, with opportunities for oral presentations at hearings.

## **Takenga mai | Background**

### **Where we are at**

8. The proposed budget has been updated to reflect the decisions of the 15 February 2024 Committee meeting.
9. The updated proposed rates increase for 2024/25 is 16.4% (after growth). In addition there will be the new sludge levy which equates to an additional approximate 1.6% increase, resulting in a combined proposed increase of 18%.

10. The updated debt to revenue ratio for 2024/25 is 245% which includes the insurance headroom of \$272m.
11. All key decisions from the 15 February meeting are reflected in the draft CD (Attachment 1).

## **Kōrerorero | Discussion**

### **Consultation document**

12. The draft CD (Attachment 1) sets out the proposals for which Council wants to obtain community feedback through submissions. It has been developed in line with the Local Government Act 2002 requirements in respect to the Special Consultative Procedure and content requirements.
13. The final CD will include the Independent Auditor's Report and will be recommended for adoption by the Council on 10 April prior to formal consultation commencing on Friday 12 April. Community submissions on the decisions will be available through a variety of channels i.e. on-line submission, email and oral hearings.
14. Apart from meeting the statutory process requirements, the CD will include the context for the LTP and where we are investing in the city. This includes the need to strike a balance between what we need to deliver and what the city and the Council can afford.

### ***Consultation proposals (or decisions)***

15. There are three key decisions detailed in the attached CD (see "Section 3: Proposals for this plan") for public consultation. Each decision includes the financial impacts and a preferred option. The decisions are:
  - Increasing three water investments
  - Waste collection and funding changes
  - Establishing a Perpetual investment fund
16. These decisions and options were discussed and agreed at the 15 February Committee meeting. The CD is the presentation of those decisions for public feedback (subject to audit).

### ***Investment Fund criteria***

17. The 9 November LTP Committee meeting agreed that, if created, the publicly owned perpetual investment fund would have strong Environmental, Social and Governance (ESG) criteria and officers should provide advice on possible criteria for inclusion in the 2024-34 Long-term plan consultation.
18. The draft Consultation Document outlines that the fund would have an Environmental, Social and Governance focus in line with this Council resolution and further advice to the Council would be provided as part of the implementation plan (below) should the Council decide to proceed following consultation.

19. If the Council decides to proceed and establish a fund following consultation, officers would develop an implementation plan which would include:
  - A plan for the process to sell all/some of the Council's 34% minority shareholding, including the appointment of an investment bank to advise the Council on the approach to sale and the development of supporting material for potential purchasers;
  - Detailed design of the fund and the organisation that would run the fund on behalf of the Council. As part of this workstream, more detailed advice would be developed on investment criteria and how to give effect to an ESG-focused fund; and
  - A plan to appoint an investment manager to operate the fund according to the objectives and criteria established by the Council.
20. Officers would expect to prepare an implementation plan and bring it back to the Council by the end of 2024.

### ***LTP other proposals***

21. Aside from the three key proposals outlined above, there are several others which are outlined in the CD for the public to provide feedback on.
22. These initiatives include four that are of high public interest, other changes to the level of service, or new fees and user charges. These include:
  - Suburban Centre parking fees
  - Motorcycle parking fees
  - Closure of Khandallah Pool
  - Sale of Wadestown Community Centre
  - Changes to the scope or timing of capital programmes
  - Changes to some of the levels of services we provide.
23. The submission form includes areas for the public to provide feedback on these proposals.

### ***Suburban Centres Parking update***

24. Following on from the 15 February Committee meeting, the Committee requested that officers would 'report back with more detailed information and options about the suburban centres including Tawa, Johnsonville, Newlands, Khandallah, Northland, Karori, Aro Valley, Kelburn, Newtown, Berhampore, Island Bay, Kilbirnie, Miramar and Rongotai that will have the fee introduced, including the hourly rate fee, and how this could be phased in'.
25. While the Parking Policy recommends that fees be introduced when the occupancy of spaces is consistently over 85 percent, turnover is low, duration of stay regularly exceeds the current time restriction(s), and non-compliance is high, to ensure an initial consistent approach the Council will seek feedback on introducing parking fees across the city as part of consultation on the LTP.
26. Parking fees would also increase the proportion of costs of suburban centre shopping precinct parking directly met by the user.
27. If approved, detailed consultation would occur for each suburban centre individually as part of a traffic resolution process to resolve the location and number of spaces to be charged for and the relevant fee.

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## **Community consultation**

28. The key aims of the consultation programme are to:
- Clearly, transparently, and simply communicate the key proposals in the LTP
  - reach people in a tailored and accessible way; and
  - encourage feedback (submissions) from as many Wellingtonians as possible, including residents, community groups and business and commercial stakeholders.
29. The consultation programme includes working with mana whenua and reaching audiences using accessible materials. Programme planning includes an assessment of any risks.

## ***Approach to consultation***

30. The Communications and Engagement Overview (Attachment 2) summarises the external communications and engagement approach, on how we will engage with the community and target groups on the proposed 2024-34 Long-term Plan (the formal consultation).
31. Communications and engagement activity will occur through a variety of channels to reach Wellingtonians and encourage them to make a submission. There will also be targeted activity to reach key stakeholders and community/business groups.
32. The plan also summarises key design considerations, messaging and roles, including the role of Councillors in building awareness, sharing information, encouraging submissions, and attending events.

## ***Evaluation and report back***

33. As in 2021, a dashboard of the public feedback will be loaded onto the LTP website during consultation so there is public visibility of the feedback received by the Council to date, this will include the number of submissions, data from the qualitative questions, and early theming of the comments. This will be updated at regular intervals during the consultation period.
34. At the conclusion of the formal engagement period submissions will be analysed and feedback presented to Councillors ahead of the final deliberations on the LTP. This will include:
- Full pack of all submissions, including information tabled at oral hearings
  - Thematic analysis of the comments made in submissions
  - Details of funding requests made in submissions, with Officer recommendations
  - An analysis of formal submissions on the key options in the CD, and the other feedback gathered as part of the engagement (e.g. social media comments, and information from the Participatory Budgeting tool).
35. The results of the LTP engagement will be reported back to submitters and uploaded to our LTP webpage.

### **Oral Hearings**

36. Section 83 of the Local Government Act 2002 requires that when the Special Consultative Procedure is used, any person who wishes to be provided with an opportunity to speak (to a matter being consulted on) must be provided with a reasonable opportunity to do so.
37. There will be eight days of oral hearings scheduled in May: 9 May, 14 May (afternoon only), 15 May, 16 May, 20 May, 21 May (afternoon) and 22 May (afternoon).
38. The majority of the hearings will be scheduled from 20 to 22 May, with the earlier dates used for people who have made submissions early in the consultation period.

### **Representative survey**

39. As in 2021, the Council will also use the submission form to get concurrent feedback from a representative sample through a research survey.
40. The purpose is to obtain feedback on the proposals within the plan from a group of residents that are less engaged with the process, and have not self-selected to provide feedback

### **Kōwhiringa | Options**

N/A

### **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

#### **Alignment with Council's strategies and policies**

41. The 2024-34 LTP package delivers on the nine 2024-34 LTP priorities agreed to on 17 August 2023. The items and issues that we are consulting are in scope with the new LTP's community outcome and the priorities.
42. The alignment of Council's strategies and priorities to LTP are outlined in the 15 February 2024 committee paper.

#### **Engagement and Consultation**

43. The Communications and Engagement Overview (Attachment 2), outlines the council's approach to community consultation, including targeted groups; and both council and Councillors' roles and responsibilities during the consultation period.

#### **Māori Impact Statement**

44. Kaimahi from Mataaho Aronui are working with the Engagement team on bespoke plans for hapori Māori and mana whenua engagement for the consultation.
45. Proposed hapori Māori engagements are an in-person hui in Strathmore, the Long-Term Plan webinar, and communications channels (incorporating targeted messages for hapori Māori).
46. The in-person engagement will be a follow-up session with the hapori Māori group we engaged with during phase one of LTP Engagement, with the emphasis on strengthening Council's relationship with hapori Māori.
47. Focusing in-person hui on an area with a higher Māori population with lower incomes means we are better able to capture the voices of those who do not traditionally engage with the Council through Residents' Associations and standard engagement channels.

- 
48. Providing bespoke opportunities for communities that are less able to engage through standard channels to participate in this important consultation aligns with the principle of mana ōrite, as expressed in the Tūpiki Ora Māori Strategy
  49. Mana whenua engagement will take place via the Tākai Here Forum, and Pou Iwi.

### **Financial implications**

50. There are no financial implications as the budget was agreed on 15 February. All financial information has been updated to reflect any agreed changes and are included in the supporting documents.

### **Legal considerations**

51. The relevant service level changes proposed for the 2024-34 LTP are in relation to changes to Waste services, particularly the proposed establishment of an organics collection services, and the impacts of funding levels for three water services. These changes are key of consultation issues, which are presented through the 2024-34 LTP Consultation Document.
52. The consultation document has been created in compliance with the Local Government Act 2002.

### **Risks and mitigations**

53. The risk and mitigations of community consultation and engagement are outlined through the report and in the Communications and Engagement Overview attachment.

### **Disability and accessibility impact**

54. The Communications and Engagement Overview (Attachment 2), outlines the Council's approach to community consultation, including consulting with our Accessibility Advisory Group.
55. Accessible versions of the CD and other engagement material will be available, and there are multiple ways for the public to submit their feedback, including written, verbal, digital and hard-copy.

### **Climate Change impact and considerations**

56. The Key Proposal on Waste collection and funding changes will impact on Council meeting its zero waste targets and therefore reducing emissions.

### **Communications Plan**

57. This is summarised in the Communications and Engagement Overview (Attachment 2), with messaging emphasising the process for LTP decision-making and opportunities for stakeholder and community input. Channels that we will use to communicate and engage include: media releases, website updates, e-newsletters, social media, advertising, posters and digital screens in venues, hardcopy consultation materials in libraries, direct email, *Our Wellington*, a webinar, online and face-to-face hui, and outreach via community groups.





## Health and Safety Impact considered

58. Health and safety considerations in relation to engagement are outlined in the Communications and Engagement Overview (Attachment 2), with particular emphasis on ensuring the safety of employees, Councillors, and participants based off our and other Local Authorities' recent experiences.

## Ngā mahinga e whai ake nei | Next actions

59. Following Committee approval of the draft CD, it will be audited over the course of March before being presented to the Council for adoption on 10 April 2024. Following adoption formal LTP community consultation will commence on 12 April 2024.

## Attachments

Attachment 1.	2024-34 LTP Consultation Document - DRAFT <a href="#">↓</a> 	Page 250
Attachment 2.	LTP Formal Consultation Communications and Engagement Overview <a href="#">↓</a> 	Page 306
Attachment 3.	2024-34 LTP Prospective Financial Statements <a href="#">↓</a>	Page 311
Attachment 4.	Activity Reports (Operating & Capital) <a href="#">↓</a>	Page 334
Attachment 5.	Funding Impact Statement Rating Mechanisms <a href="#">↓</a>	Page 342
Attachment 6.	Funding Impact Statements <a href="#">↓</a>	Page 361

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# **Tō mātou mahere ngahuru tau Our 10-year Plan**

2024-2034  
Long-term Plan  
Consultation Document

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## Nau mai | Welcome

Our vision for the future, *Poneke: the creative capital where people and nature thrive*, is about creating a dynamic, sustainable and vibrant city. We need to put the building blocks in place now to lay the foundations for this future.

A Long-term Plan sets out how we will do this. It states our priorities for the next 10 years, including what we will do, how much it will cost and how we will pay for it.

### What is this document?

This is our Consultation Document. It doesn't include an outline of every project coming up, instead it highlights the key challenges we are facing, what the practicable options are to help solve them and any cost implications. This plan has been created over the past 18 months and includes input from our community.

2023 ----->				2024 -----We are here----->			
				↓			
April	September	November	December	February	April	May	June
• Outcomes and priorities community engagement	• Rating policies review community engagement • Citizens' Assembly	• Key decisions on levels of service	• Draft Budget	• Decisions on issues and budget for consultation	• Formal consultation with the community	• Community oral hearings • Final decisions on the plan and budget	• Final Long-term Plan is adopted

### We want your feedback

Our plans and budgets are draft. We will be finalising them in June 2024. Before then, we need to hear from you. This will help the Mayor and Councillors that represent you to make their final decisions on behalf of the city.

#### How to have your say

There are four ways to let us know what you think:

- **An online submission** – via our website [wcc.nz/lt-2024-34](http://wcc.nz/lt-2024-34)
- **By email** – email your submission using the form at the back of this document or online to: [lt-2024-34@wcc.govt.nz](mailto:lt-2024-34@wcc.govt.nz)
- **Drop off** – a submission form to one of the submission boxes at our libraries or service centre. The form can be printed from our website or collected from Arapaki Service Centre or a library.
- **By post** – completed forms can be returned by free post to  
 Freepost 2199  
 Long-Term Plan  
 PO Box 2199  
 Wellington 6140

**The consultation will run from 12 April to 12 May.**

## What happens next?

We appreciate the feedback we get, and we take time to consider it.

The Mayor and Councillors are given copies of all submissions. We also prepare reports on the submissions, so Councillors know how many there were and what the main themes and comments are.

If you wish to speak to your submission, please indicate that preference clearly when you make your submission. Our submission form includes a question on oral submissions.

The Mayor and Councillors are scheduled to adopt the final plan on Thursday 27 June 2024.

## Is there more information?

No final decisions have been made, but all of supporting information that underpins this consultation document is available on our Long-term Plan website. This includes what projects are in and out of the budget, the changes to our fees and charges, all the policies relevant to the Long-term Plan, our draft financial statements, and the Financial and Infrastructure strategies.

[Insert QR Codes/Links. For following documents: Financial Strategy, Infrastructure Strategy, Draft Revenue and Finance Policy, 2024/25 Fees and User charges, Draft Financial Statement, Draft DC policy.

Note: The 2024-34 Long-term Plan comes into effect on 1 July 2024. For information on the 2023/24 year, please see the Annual Plan: <https://wellington.govt.nz/your-council/plans-policies-and-bylaws/plans-and-reports/annual-plan>

## Mayor's welcome

I'm so proud to be a Wellingtonian. We have a great capital city with a lot of heart. Art, nature and diverse communities - it's what makes the city such an amazing place to live, work and play.

But we've come to an important time in Wellington's history. We must develop into a new, more liveable and resilient city for the future while responding to our current economic environment.

So this next ten-year plan and budget (our 2024-34 Long-term Plan) is hugely important, and we are asking for your feedback. We know we have to strike the balance between investing in Wellington so our communities thrive whilst also responding to economic conditions being felt by Councils all over the country. As a city, we need to make some tough decisions about what to prioritise while also picturing what our city can look like in ten years' time and beyond.

We have some major challenges, and we know times are tough for some right now. Our infrastructure is aging - our water and transport networks need significant, ongoing and costly upgrades. We need to ensure our buildings are resilient, prepare for population growth with housing and transport, and act on climate change.

A priority that I'm sure we can all agree on is fixing our water infrastructure and pipes. We've significantly increased funding in this area recently, and this document proposes to spend a record \$1.8b. That's a 68% increase from our last Long-term Plan and includes funding to roll-out water meters.

Our environment also needs care and attention, and this is reflected in the Council's Zero-Waste Strategy, as well as increased funding for climate resilience and tree coverage in our city centre.

Our Zero-Waste Strategy aims to build a sustainable future through reusing, recycling and reducing waste. Something that could help this is a redesign of our rubbish and recycling collections. This plan takes the opportunity to assess our waste network so that it works better for us and our environment.

As with any Long-term Plan, we also need to consider our financial resilience. We must be adaptable and innovative in all areas and finance is no different.

A recent review recommended the Council diversify its investments to address insurance shortfalls and to make it easier to raise cash when disasters strike. Currently all our eggs are in one basket - the Wellington Airport, leaving us vulnerable if a disaster strikes Wellington. This plan proposes to sell our minority holdings in Wellington Airport and invest it into a new public asset - a perpetual investment fund - that will make green, ethical investments to return a profit for our city whilst protecting us better from climate change charged weather events or a major earthquake.

This Long-term Plan represents a developing vision which will inform the next decade. I invite you to be part of the process and let us know what you think on all aspects of our work. Together, we can realise the aspirations of all Wellingtonians for our city.

**Tory Whanau**

**Mayor of Wellington**

# Section 1: Building the plan

## In this section

This section includes our progress since our previous Long-term Plan, our vision for the city and a high-level look at what we are planning in the next ten years.

## Where we have come from

Our plans don't start from scratch every three years, each Long-term Plan builds on the previous one. In our 2021 Long-term Plan, we set six priority objectives for the three years to now. Below are the highlights we have achieved against those priorities. The new priorities for the 2024 Long-term Plan are on page X.

For more information on these highlights, refer to our website or Annual Reports [\[QR Code\]](#).

### Highlights since 2021

- 1. A functioning, resilient and reliable three waters infrastructure** – with improving harbour and waterway quality and, reducing water usage and waste.
  - Completed construction of the Omāroro reservoir.
  - Began construction of the new Moa Point Sludge Minimisation Facility.
  - Began the CBD Wastewater Pump Station and Rising Main Projects.
- 2. Wellington has affordable, resilient and safe housing** within an inclusive, accessible, connected, and compact city.
  - Adopted our new Spatial Plan and consulted on our new Proposed District Plan and completed the housing density planning requirements of the national policy for urban development.
  - Completed the construction of the Araheke Harrison Street City Housing family units.
  - Transferred City Housing to a community trust provider to improve tenant affordability over time.
  - Opened 288 new Te Kainga affordable rental units in the CBD.
- 3. The city's core transport infrastructure is a safe, resilient, reliable network** that supports active and public transport choices, and an efficient, productive and an environmentally sustainable economy.
  - On track to complete 34.5km km of walking, biking, and public transport improvements through Paneke Pōneke, our bike network plan by the end of June 2024.
  - Made improvements for bus priority, including a bus lane on Adelaide Road and Kent and Cambridge terraces
  - Upgraded Seatoun Wharf and Karaka Bay Jetty.
- 4. The city has resilient and fit-for-purpose community, creative and cultural spaces** – including libraries, marae, museums and community halls, where people connect, develop and express their arts, culture and heritage.
  - Strengthened and opened the St James Theatre, opened Tākina, our new convention and exhibition centre, and continued strengthening the Town Hall.
  - Completed the upgrade of Swan Lane, Garrett Street and Glover Park
  - Began construction of Te Matapihi, the new Central Library.
  - Opened the new Frank Kitts Park playground.
- 5. An accelerating zero-carbon and waste-free transition** – with communities and the city economy adapting to climate change, development of low carbon infrastructure and buildings, and increased waste minimisation.
  - Council greenhouse gas emissions fell by 14.5 percent between July 2020 and June 2022.



- Adopted our Zero Waste Strategy and Wellington Region Waste Management and Minimisation Plan
- 6. Strong partnerships with mana whenua** – upholding Te Tiriti o Waitangi, weaving Te Reo Māori and Te Ao Māori into the social, environmental and economic development of our city and, restore the city's connection with Papatūānuku (nature).
- Co-designed our new Tūpiki Ora Māori Strategy with mana whenua and Māori.
  - Continued to strengthen mana whenua's role in weaving their cultural design narrative into the places and spaces of the city, including in the bike network.
  - Held an election in the new Māori Ward and appointed pou iwi from mana whenua to Council committees.

# Where are we going

## Our vision for the future

We want Pōneke to be the creative capital where people and nature thrive, and we plan to make sure our decisions now help us achieve that future.

Central to this is our commitment to strong partnerships with mana whenua - *We are committed to Te Tiriti o Waitangi and strong partnerships with mana whenua. Tākai Here and Te Tiriti o Waitangi lay the foundation for everything that the Council does.*

Underpinning our vision are five intertwined community outcomes. These are aspirational statements.

<b>Cultural Wellbeing:</b> A welcoming, diverse and creative city	<b>Social Wellbeing:</b> A city of healthy and thriving whānau and communities	<b>Economic Wellbeing:</b> An innovative business friendly city	<b>Urban Form:</b> A liveable and accessible, compact city	<b>Environmental Wellbeing:</b> A city restoring and protecting nature
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To help us achieve these goals, we asked what priorities we should focus on now to make sure we make progress towards them. In March to May 2023, more than 3,000 Wellingtonians gave us feedback that led to the nine below:

Nurture and grow our arts sector	Increase access to good, affordable housing to improve the wellbeing of our communities	Revitalise the city and suburbs to support a thriving and resilient economy and support job growth	Collaborate with our communities to mitigate and adapt to climate change	Fix our water infrastructure and improve the health of waterways
Celebrate and make visible te ao Māori across our city	Invest in sustainable, connected and accessible community and recreation facilities		Transform our transport system to move more people with fewer vehicles	Transform our waste system to enable a circular economy

These priorities have helped us shape this plan and make the hard decisions needed.

We are proud that this 10-year plan embeds five approaches to help guide the Council in all parts of our work - meaning that going forward we are committed to putting te ao Māori, accessibility, the climate, community engagement and effective delivery at the heart of the Council and your city.

## Our plan for the next ten years

[Will be displayed as an infographic with the two graphs]

We are planning on investing **\$4.9 billion** of capital expenditure on improving our city over the next 10 years and **\$11.5 billion** of operating expenditure on running our services.

### Economic and Cultural Wellbeing

- \$215m capex on our venues, museums and galleries, including \$148m on the Town Hall.
- \$122m opex over 10 years in grants for our arts, cultural and economic communities

### Nature and Climate

- \$42m capex on upgrading and renewing our Coastal, Town Belt and Reserves and Walkways infrastructure
- \$12.8m for Community Climate Resilience Fund

### Waste

- \$28m capex on the Southern Landfill extension
- \$29m opex on Waste Minimisation programmes

### Social and Recreation

- \$92m capex on our recreation facilities and services, including \$13m to upgrade Grenada North sportsfields
- \$98m capex to finish construction of the new Te Matapihi Central Library
- \$52m opex over 10 years in grants for our social and recreation communities
- \$66.4m on renewing and upgrading our social housing units

### Governance

- \$36m opex over the ten years for protecting our history through the City Archive
- \$59m opex over the ten years to provide help to our residents through the Service and Contact centres

### Transport

- \$1.2b capex on our transport network, including \$111m on sustainable street changes through the Paneke Pōneke, our bike network plan, and \$188m on our retaining walls, tunnels and bridges.

### Urban Development

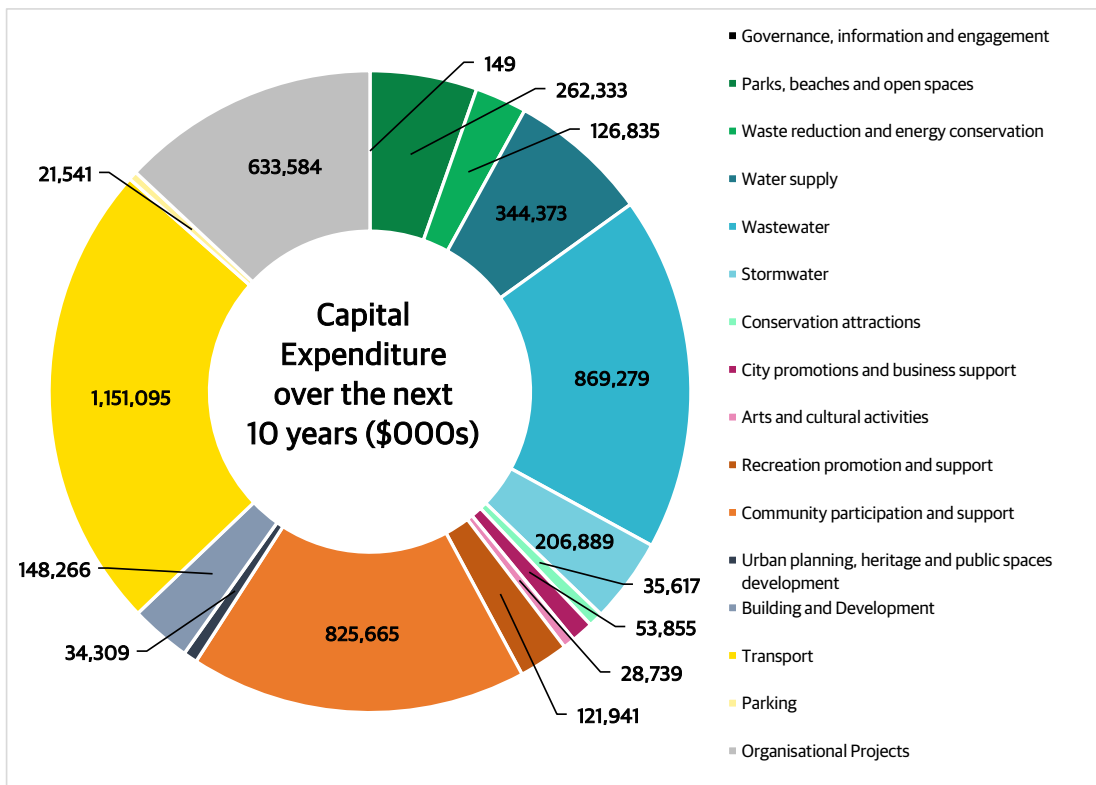
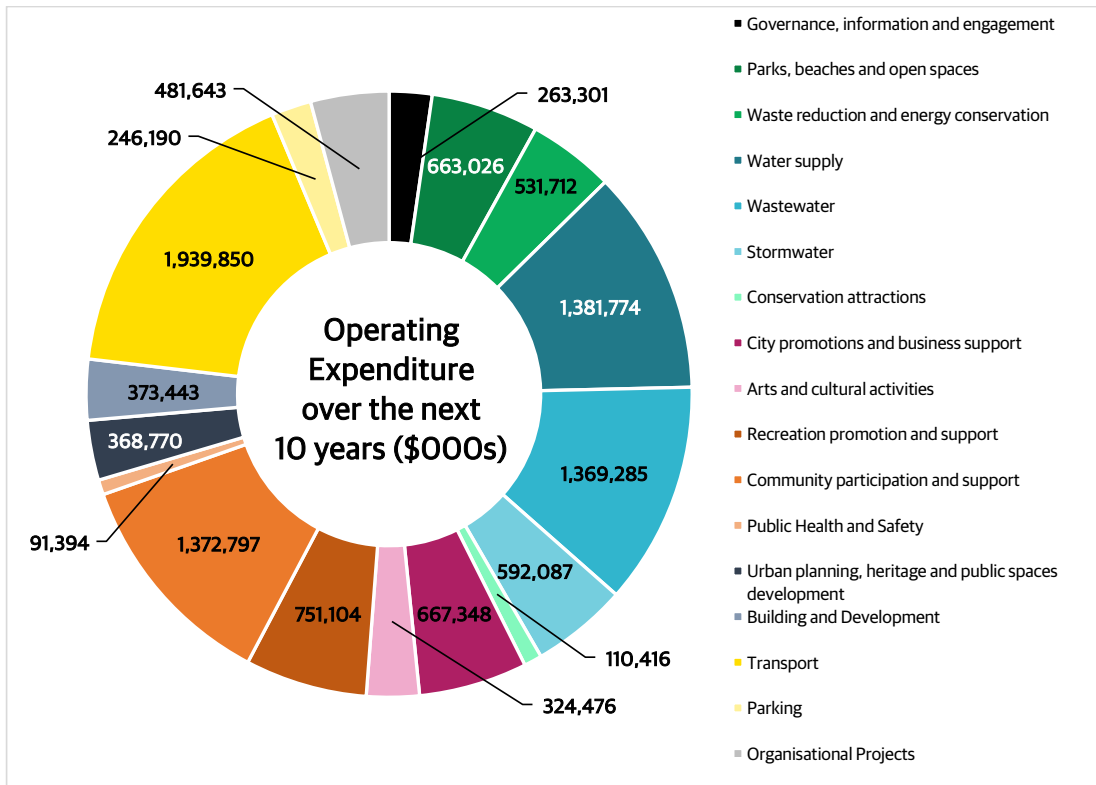
- \$77.7m opex on our public spaces, including the Green Network Plan
- \$144m capex on the Golden Mile

### Regulatory and Compliance

- \$35.3m opex on Public Health and Safety monitoring and regulation

### Three Waters

- \$1.2b capex to Wellington Water on three waters upgrades and renewals
- \$263m (total project cost \$400m) capex on the Moa Point Sludge Minimisation Facility
- \$672.3m opex to Wellington Water to deliver services and necessary repairs



# What we have heard

We have built this proposed plan with help from our community. In the past year we have conducted specific Long-term Plan engagements on community outcomes and priorities in March – May 2023, on the review of our rating policies in September – October 2023 and conducted a Citizens' Assembly in October 2023.

Summaries of the information we have already received on this Long-term Plan are below with more information on our website.

## Priorities for the Long-term Plan

We received 2,722 in this early engagement- a huge increase on the 327 from the 2021 LTP.

The priorities that were consistently ranked highly by the community were:

- Improve resilience of pipes, roads and other infrastructure
- Improve city safety at night
- More funding for the arts and cultural sectors
- Better public transport infrastructure
- Make our cultural diversity more visible
- Upgrade suburban town centres
- Shift to an economy that creates less waste.
- Improve the health of our waterways
- Prepare to withstand and adapt to climate change

The feedback from this stage was used alongside data and research to develop the priorities for the Long-term Plan that are outlined on page X. The full report of this stage is available on our website [\[link\]](#).

## Rating Policy Review

As part of this Long-term Plan we have been conducting a review of our rating policies. This determines how we cut up the rates pie, not how much rates we charge. The engagement received 160 submissions and asked about six proposed changes to our rating policies:

- A decrease in the commercial rates differential from 3.70 to 3.25
- The introduction of a general rates differential of 4.5:1 on vacant land /derelict buildings
- Increasing the value threshold for properties with more than one land use from \$800k to \$1.5m
- A remission of general rates for Earthquake-Prone-Buildings (EPB) and targeted rates for both residential & commercial Not-fit-for-purpose buildings
- Removal of the first home builder remission
- Extending the current Māori freehold land remission policy to all types of Māori Land.

After receiving the feedback, Council has included the following proposed changes for further feedback as part of this document:

- Introducing a general rates differential of 5:1 on vacant land & for derelict buildings
- Increasing the value threshold for properties with more than one land use from \$800k to \$1.5m
- Increase the rates remission for low-income ratepayers from \$700 (GST inclusive) to a maximum of \$800 (GST inclusive)

- Introduce a remission of general rates for Earthquake-Prone-Buildings (EPB) and targeted rates for both residential & commercial Not-fit-for-purpose buildings
- Extending the current Māori freehold land remission policy to all types of Māori Land.
- Remove the rates remission for first home builders

More information on some of these proposals is available on page X and detailed in the draft policies [\[link\]](#).

## Citizens' Assembly

In September and October 2023, a Citizens' Assembly of 42 Wellingtonians met to deliberate on the following question and provide their perspectives to feed into Councillor decisions about the Long-term Plan:

*We need to find a balance between what WCC could deliver, and what resource it has available, which is fair to everyone. How might we do this?*

Sessions were facilitated to ensure all perspectives were heard, and subject matter experts were called upon to answer participants' questions and provide information to support the Assembly in developing its advice. During the final session, the Citizens' Assembly's advice to Council was presented to the Mayor, Councillors and members of the Council's Executive Leadership Team. The full advice is available here [\[link\]](#). It includes 10 pieces of advice across the following areas:

- Investigating alternative revenue streams
- Capital expenditure
- Open space
- Housing
- Community funding
- Process

# Section 2: Background to the plan

## In this section

This section summarises our Infrastructure Strategy and Financial Strategy in more detail through outlining the key challenges facing the city and the impact they have on rates and debt.

### **What is an Infrastructure Strategy?**

Our Infrastructure Strategy sets out the 30-year plan for maintaining and improving levels of service for three waters, waste, land transport, community services and open spaces. It's more comprehensive than previous versions. At a city and activity level, it provides a greater understanding of the challenges and options we have in planning and delivering our infrastructure.

### **What is a Financial Strategy?**

Our Financial Strategy provides a guide to consider proposals for funding and expenditure against. It provides transparency about the effects of our proposals on rates, debt, investments and levels of services we expect to provide to Wellingtonians. It also lays out the financial limits that the Council plans to work within in respect to rates increases and borrowing.

## Key issues for our plan

Our city is experiencing the impacts of earthquakes, the aftermath of the global pandemic, issues with our ageing three waters network, and climate change. Along with these are financial pressures, with higher inflation and increases in the cost of interest, insurance and from asset ownership (for example, higher depreciation). We know our community faces many of the same cost pressures, meaning the ability to pay these increasing costs is becoming more difficult. It is important for the Council to operate a sensible budget.

The biggest challenge for the Council is being realistic about what we can pay for and when. We own a lot of infrastructure that we need to maintain and upgrade (buildings, roads, pipes and more) and the costs of our assets are increasing every year. We also need to have money available for future risks, such as responding to a natural disaster, and to keep our budgets affordable. This means the list of what we need to pay for is growing faster than our ability to pay for it.

To make sure we continue to work towards our vision for the future, the Council has rephased and reprioritised the work in our capital programme, with a focus on completing projects that we have started, looking after our existing assets, and meeting our regulatory requirements.

We have also made changes to our services, and these are outlined from page X and we are seeking feedback on these.

The financial challenges we face are not limited to the ten years of this plan. We also need to think about how we provide financial sustainability for the future. We are exposed because we cannot insure all our assets and if there is a natural disaster this will leave us without sufficient funding to repair damage and rebuild our city. Further all our investments are concentrated in Wellington International Airport Ltd shares or ground leases meaning if something were to happen to those assets, we could lose our investment revenue. We are looking to manage these risks through the establishment of a perpetual investment fund, which is detailed from page X.

The following section summarises our Infrastructure Strategy and Financial Strategy and how we are planning to face the current challenges to create a new, more liveable and resilient city for the future.

More detail is provided in our Finance Strategy and Infrastructure Strategy on our website [\[link\]](#).

### Infrastructure issues

We all know that a city's infrastructure is crucial for residents to thrive and is often taken for granted. Poor infrastructure can have significant negative consequences on our city, affecting our environment, public health and safety, and community and business confidence.

However, dependable and future-proofed infrastructure is expensive and must be affordable, have benefits for future generations and meet the Council's other investment priorities.

In this Long-term Plan, we've prioritised funding towards three waters infrastructure, and are focusing our efforts on investigating our buildings and other assets to address significant earthquake prone issues and changing community demands.

We've identified five infrastructure challenges for this LTP, with more detail in our Infrastructure Strategy and Financial Strategy. These are significant problems that need long-term planning to solve them. There is no quick fix and these issues need funding across multiple years.



### **1. Population growth and changing demand**

We need to future-ready our infrastructure to serve our growing and changing population, so that we can foster liveable, safe, low-emission neighbourhoods and travel.

### **2. Aging and declining condition of infrastructure**

Much of the city's infrastructure was built in waves when parts of the city were urbanised, including a sizeable portion that was built after World War Two. This means a lot of our infrastructure will reach the end of its life in the next 30 years.

### **3. Mitigation and adaptation to climate change**

Our city's infrastructure, including transportation and waste systems, play a key role in where we live, how we move around, and the industries we support. However, as a steep coastal city with many of our emergency lifeline routes and other critical assets situated at or near sea level, the functioning of our city depends on our infrastructure adapting and being resilient to climate change.

### **4. Earthquake hazards and earthquake prone buildings**

Wellington is built on shaky ground due to its location on an active tectonic boundary, and climate change makes things worse by causing land to sink and saturate the soil in low-lying areas. This combination increases the likelihood and severity of natural disasters in the city.

### **5. Affording and delivering better infrastructure**

The costs of maintaining, operating, renewing, and upgrading infrastructure are big and have been increasing quickly since the COVID-19 pandemic. Obtaining the funds to improve our infrastructure is also becoming challenging as the costs increase. Local Government funding is therefore a pressing issue and Councils are working with Central Government to address the funding issues and find a sustainable system for the future.

We also recognise that we have not always consistently delivered the planned infrastructure programme. So to ease the increase in everyday costs, and have a programme that can be fully delivered, all the individual budgets included in the draft Long-term Plan have been scrutinised and refined. The focus has been on ensuring we're delivering core services. A key part of ensuring deliverability includes a focus on budgeting for 75% of renewal spending (see page X for more information).

## **Responding to the challenges**

There are five principal options for addressing our infrastructure challenges in the long-term that are outlined in the Infrastructure Strategy:

- Prioritising growth areas;
- Targeting emissions reductions to the greatest gains and operational efficiency;
- Grow our understanding of climate impacts and adaptation costs;
- Strategic rationalisation to better manage the overall asset portfolio; and
- Prioritising the interventions and work programme for affordability

The main two that cross over all our infrastructure issues are the strategic management of our assets and, prioritising the right things at the right time.

We cannot afford to continue maintaining, operating, and renewing all our assets in as we have in the past e.g. adding more assets when affordability was less of an issue. This is now not sustainable. Therefore, we must pause and reset. This means taking a careful look at all our assets and conducting strategic reviews.

Financial affordability for both the Council and ratepayers means that we must focus on doing the right things at the right time in the most cost-effective way whilst deliberately managing risk. We will prioritise

non-asset solutions to maximise the use of our assets and deliver value for money and operational efficiency.

## Key infrastructure

- 2,757km of pipes across our three waters network
- 105 three waters pump stations
- Two wastewater treatment plants (Moa Point and Kārori).
- The Southern Landfill, Capital Compost, and The Tip Shop and Recycle Centre
- 904km of footpaths
- 19,000 streetlights
- 700km roads, with 40km bike lanes, 8km bus priority lanes and 2km bridges and tunnels
- 200 seawalls
- Buildings and grounds for various cultural and sporting activities including Town Hall, Tākina, TSB Bank Arena, Te Whaea National Dance and Drama Centre, Sky Stadium, Basin Reserve and City Gallery
- 275 social housing buildings
- 4,305 ha of parks, reserves, and beaches
- 387km of walking and biking tracks
- Botanic Gardens, Berhampore Golf Course, Berhampore Nursery, Clyde Quay Boat Harbour and Evans Bay Marina.
- 44 natural and 11 artificial sportsfields
- 4 cemeteries
- 108 playgrounds
- 7 Skate parks
- 277 community facilities including: 7 swimming pools, 12 libraries, 5 recreation centres, 25 community centres, 1 marae, 13 community spaces in Council housing buildings and 83 public toilets

## What you said

In the previous LTP, we asked you about building a new sludge facility to start reducing our waste and increasing the investment in our three waters network. Fix the pipes and eliminate waste have been key messages from the community in many engagements since, and we agree.

During our engagement on priorities in 2023, improving the resilience of our pipes, roads, retaining walls and other infrastructure was the top priority.

*"A significant investment for water services, resilience and to uphold Te Mana o Te Wai for the next decade should be the most important ambition our council has."*

The 2023 Citizens' Assembly deliberated on the Long-term Plan and provided 10 pieces of advice to the Council. One of their pieces of advice was:

*We advise that, within funding constraints, the Council prioritises:*

- *looking after the assets we've got before building or acquiring new*
- *the most cost-effective way to look after their existing assets.*

## Have your say!

This year we want to hear what you think about two key proposals that will help us achieve better infrastructure outcomes for the city.

- Increasing investment in our three waters network
- Investing in changes to our waste collection infrastructure to reduce waste

See Section 3 from page X for more details.

## Financial affordability and risks

### Affordability

Affordability is a challenge both the Council and residents of the city are facing. The economic and community operating environment has dramatically changed since the Council prepared its 2021-31 LTP. We are operating in an environment of high inflation, high interest rates and borrowing costs have increased steeply since 2021. Insurance premiums continue to rise while access to insurance for many of Council's assets is becoming more difficult. Put simply, everything we do is costing more to deliver. For residents, the ability to pay more rates is limited, and the Council will need to find ways to deliver in a more constrained funding environment.

We have created a budget that results in a rates increase in 2024/25 of 16.4% (after growth) and an average over the 10 years of the plan of 7%. On top of this is the sludge levy that will be introduced from 2024/25, this is a further 1.6% increase. We have tried to propose a fair and balanced draft budget that has something for everyone and keeps our city moving forward - while dealing with critical issues.

More information about our draft budget and how it was created is in the Financial Strategy [\[link\]](#).

### Funding issues

Local Government has a narrow range of tools for funding projects and every day costs. Most of our operating revenue comes from our residents through rates or fees and user charges and our capital investments are paid for through debt.

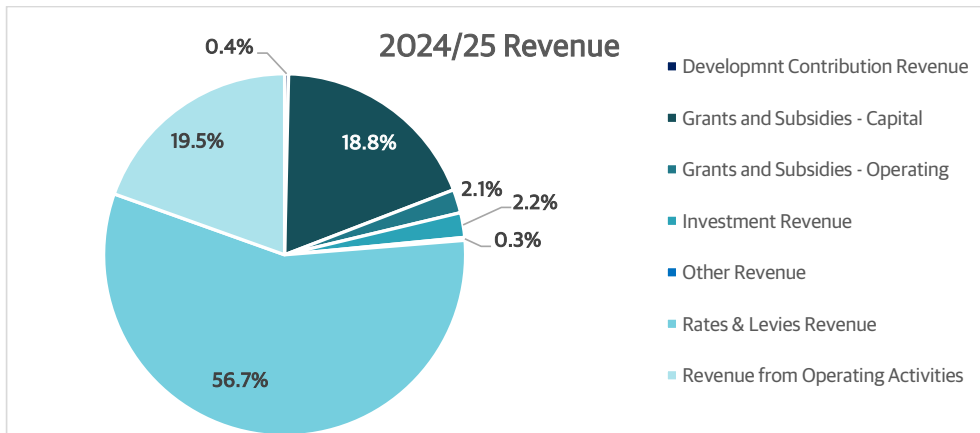
We have also been able to access funding through Infrastructure Funding and Finance Act 2020 for the new Moa Point Sludge Minimisation Facility. Getting a loan for this asset facilitated through Central Government means we don't increase our debt directly, but it will still impact ratepayers through a levy on rates bills from August 2024. More information about this project, including how it is funded and the levy, is available here: [Projects - Moa Point sludge minimisation facility - Wellington City Council](#).

All our budgets are linked – increasing our debt also increases the operating costs of paying it back, including the cost of interest. Therefore, we need to balance having a city we can all enjoy, with the ability of our residents to pay through rates.

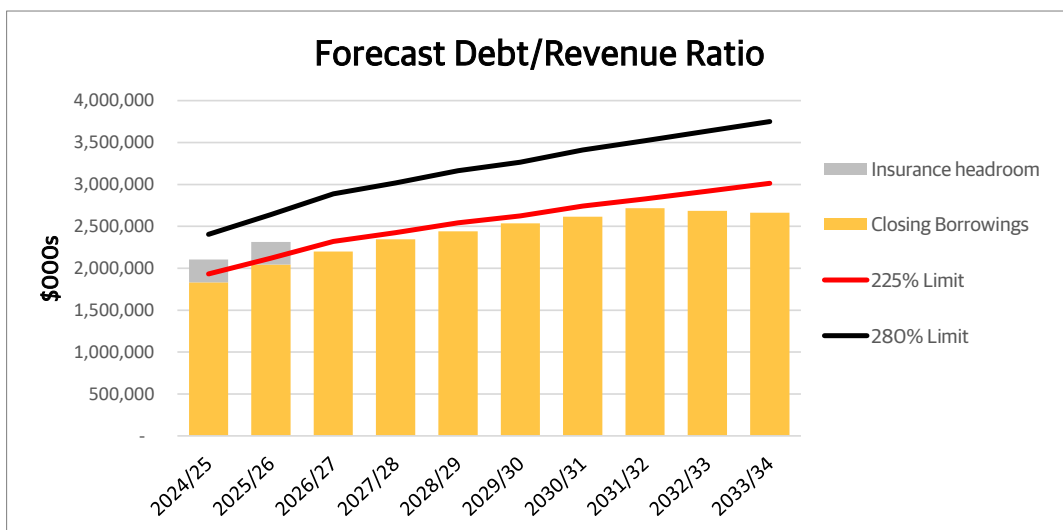
The Council has reviewed its balance sheet (what we own and owe) and identified it is not sufficiently resilient and is overly exposed to certain risks. Some of this is because of the limited sources Council has for funding. This has significant implications for our long-term financial position and action is required to address this.

Part of the advice from the 2023 Citizens' Assembly was for Council to diversify revenue streams and advocate to Central Government for change so the burden on ratepayers is reduced. This work is under way and the decision to set up a Perpetual Investment Fund is part of that, see page X in Section 3 for more detail.

In the meantime, we have prepared our Financial Strategy and budgets based on our operational money coming from the following areas:

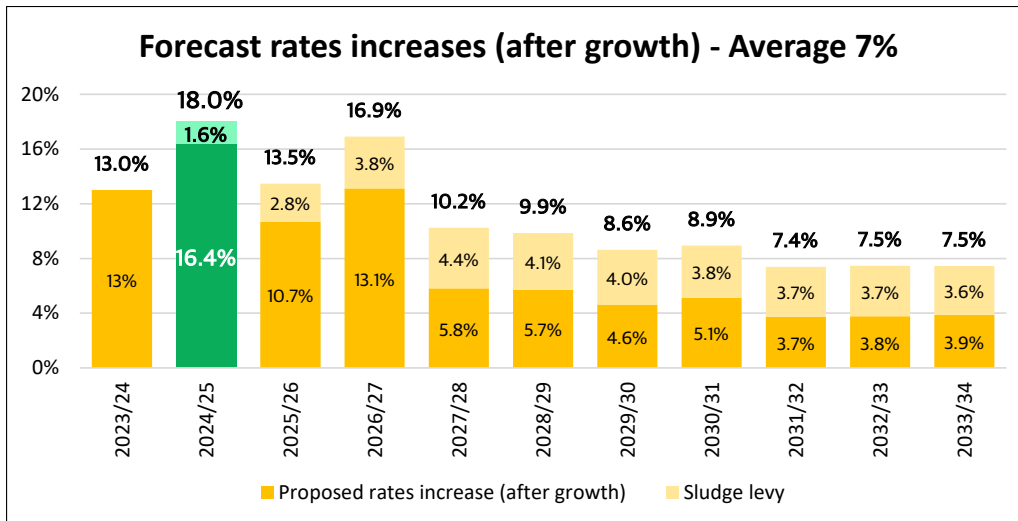


The Council's gross debt is expected to increase to \$2.7 billion by 2033/34. The forecast shows the Council will exceed its voluntary debt to revenue limit, for the first two years of the plan. However, our limit has included a provision for insurance of \$272m. This amount was set in the 2021-31 LTP and reflected the gap in insurance coverage available to the Council. The current financial strategy retains the insurance headroom for the first two years of the plan, but from year three assumes the establishment of the perpetual investment fund to mitigate some financial and insurance risks.



### Ensuring fairness

Everyday costs should be paid for from everyday revenue. If we fail to achieve this, the everyday costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. This is like using a loan or credit card to pay for everyday costs - sometimes it's needed in an emergency, but it puts pressure on future budgets when the money needs to be paid back. This is neither prudent nor sustainable.



## Increasing costs

As mentioned in our Infrastructure Issues section on page X, we have gone through the budgets included in this plan to make sure we are successfully delivering our important services. This has included initiatives to find cost savings, look for where we can be more efficient and if we need to change the levels of service we offer. The review has resulted in several proposals for changes to service levels to manage costs, the key ones are detailed from page X.

To keep the costs to our residents down, we also propose to not collect enough money to cover our operating costs, resulting in an unbalanced budget. This is because we will not be fully rates funding depreciation (the cost of looking after our assets) on three water assets due to the revaluation on 30 June 2022 which saw a significant increase in the value of our water assets. We are also proposing to not rates fund the depreciation on some of our other assets that are unlikely to be replaced.

## Deferral of renewal spending

The Long-term Plan includes only a proportion (75%) of the required renewal investment for our infrastructure based on our asset planning. This will result in some assets not being renewed at the time they should be. This is a 10-year decision, with a need for a catch up to happen over years 11-20 of our asset management.

In reducing the spending, we will seek value-for-money options through good procurement practices and review programmes for more cost-effective options. Deferring 25% of renewals does carry some risk that the level of service experienced by the community is lower than planned. For example, entailing a greater use of chipseal over asphalt or the reduction in the frequency that Council assets are renewed. This risk is alleviated by having confidence in the condition of our assets. We will prioritise renewals where the greatest need is, such as, for safety and resilience reasons.

This approach has not been applied to the three waters network.

## What you said

In the recent 2023/24 Annual Plan consultation and Long-term Plan priorities engagement, both in April and May last year, we heard that our city is struggling with increases in cost of living and that affordability is a key issue.

*"Set a budget that we can afford and stick to it. Some things have to be left out in the meantime."*

*"Council needs to focus on Fixing Infrastructure, the cost-of-living crisis, Helping local business and making the streets safe again. You need to keep rates down too."*

The 2023 Citizens' Assembly deliberated on the Long-term Plan and provided 10 pieces of advice to the Council. One of their pieces of advice was:

*We advise that the Council review its capital expenditure programme by prioritising spend and spreading capital expenditure over a longer period based on availability of funds.*

*We advise that the Council:*

- needs to increase diversity of revenue streams – current and new – with the end goal of reducing the percentage of funding from rates*
- advocates to Central Government for changes to legislation to enable the Council to access alternative revenue streams*
- considers investments and partnerships so as to best use resources to supplement rates revenue.*

## *Have your say!*

This year we want to hear what you think about a key proposal that will help us reduce our risks to achieve better financial outcomes for the city.

- Create a perpetual investment fund through airport share sale

See Section 3 from page X for more details.

# Section 3: Proposals for the plan

## In this section

This section includes the three key proposals that we want your feedback on, each one has set options which includes the financial impact.

## What is guiding our proposals?

The challenges outlined in Section 2, and further in our Financial Strategy and Infrastructure Strategy, state what we are up against. We have had to make some extremely hard decisions about what is in and out of the budget. However, we believe we need to continue to plan for a strong city – one that can cope with anything. This means investing now to ensure our people and natural environment continue to thrive.

Therefore, as part of this plan, we have made choices about what we are able to pay for and when. Now it's your turn to tell us what you think.

# Key proposal 1: Investing in our three waters network

## The purpose

We know that fixing our three waters network is a top priority for the community. Three waters are a core service for Councils to deliver, but our network, as well as that of the region, is not performing as required due to its overall age and under investment issues.

We want to get back to having a well-functioning three waters network, but this is going to take time and years of investment. This is not a quick fix.

As part of the 2021-31 LTP we significantly increased funding for three waters, with a capital programme of approximately \$679 million over the ten years of that plan. This was 41% more than the previous LTP.

Since 2021, we have further increased the annual operational funding each year, with an additional \$29m of operational funding to find and fix leaks.

Over the past three years, we have found out more about the state of our pipes and what it is going to take to fix them. Inflation has also impacted on how much we need to spend.

- Approximately 43% of our pipes are due for renewal in the next 30 years
- Investment has increased, however there is a growing backlog of leaks to be fixed
- About 44% of drinking water is lost through leaks

Working with our contracted water services provider, Wellington Water, we have created three options for how we could invest in our network over the next decade.

## The options

Council's preferred budget, Option 3, is an increase in the total capital funding for the three waters network - from \$679 million over 10 years in the 2021 Long-term Plan to \$1.2b for this plan.

Option C includes operational funding of \$673.2m (inflated) over the Long-term Plan. This makes up 2.5% of the proposed rates increase. Options A and B will result in a lower overall rates increase due to lower operating funding being provided to Wellington Water.

It is important to note that the level of funding to Wellington Water is still below the required level to address all network issues, and below the recommended maximum deliverable level of funding presented by Wellington Water (\$1.8b capex and \$0.7b opex over ten years).

Increasing to the maximum level of investment is more than what is affordable for the community. Further work is required with central government and other Councils in the region to review the model for three waters infrastructure management to enable a higher level of funding to be committed in the future.

We also have other financial challenges coming up in the future, especially with our earthquake-prone buildings, so we need to retain the ability to scale up our investment over time and respond to those issues. This is consistent with our draft Infrastructure Strategy and Financial Strategy.

Tell us what your preferred option is for our three waters network in your submission.



Options	Overview				
<p><b>A</b></p>	<p><b>Operational funding \$55.0m per year (\$611.9m over 10 years, inflated)</b></p> <p>This is continuing the level of funding for the three waters network at 2023/24 funding levels with increases for unavoidable cost escalations at the Treatment Plants and for monitoring and operational activity.</p> <p><b>Capital funding \$896.7m over ten years (inflated)</b></p> <p>This option includes the following capital expenditure projects:</p> <ol style="list-style-type: none"> <li>1) Wrights Hill drinking water reservoir seismic improvements</li> <li>2) Some Very High Critical Asset reservoir water quality renewals</li> <li>3) Stormwater Improvements</li> <li>4) CBD Pump station rising main programme:</li> <li>5) Karori Effluent Pipeline Remediation</li> <li>6) Wastewater Renewals of some critical assets at the Moa Point and Western Wastewater Treatment Plants</li> <li>7) Planned and reactive network renewals across all waters</li> <li>8) Partial funding of water pressure management</li> <li>9) Reactive renewal of existing assets</li> </ol> <p>This option is below the recommended level of funding from Wellington Water and the Council and would lead to regulatory non-compliance with legal risks, increased water leaks and growing backlog of deferred renewals. Water supply risks would remain, and other critical network risks would remain unaddressed. Growth to support the District Plan would remain unfunded for the full ten years of the LTP.</p> <table border="1" data-bbox="352 1249 1011 1330"> <thead> <tr> <th data-bbox="352 1249 667 1290">Rates impact (year 1)</th> <th data-bbox="667 1249 1011 1290">Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td data-bbox="352 1290 667 1330">0.91% rates increase</td> <td data-bbox="667 1290 1011 1330">\$896.7m</td> </tr> </tbody> </table>	Rates impact (year 1)	Debt impact (10 years) inflated	0.91% rates increase	\$896.7m
Rates impact (year 1)	Debt impact (10 years) inflated				
0.91% rates increase	\$896.7m				
<p><b>B</b></p>	<p><b>Operational funding \$55.0m per year + \$2.4m in year 1 (\$614.2m over 10 years, uninflated)</b></p> <p>This is the same level of operational funding as in Option A, but with the addition of \$2.4m in the first year of the plan that will be ring-fenced for the planning and design work for water meters. If approved, these would be rolled out from 2027/28.</p> <p><b>Capital funding \$896.7m over ten years (inflated) + \$142.6m for water meters from year 4</b></p> <p>This option includes the same capital expenditure projects in Option A, plus \$142.6m from year 4 to deliver the meters. How or if these will be implemented will be based on the business case and formal consultation with the community ahead of any decisions.</p> <p>This option has the same risks outlined in Option A, including that growth in the network to support the District Plan will be unfunded. Rolling out water meters will reduce some of the medium and long-term risks to water supply by making leaks easier to identify, reducing demand for water, and managing water loss in the network. However, installing water meters without also investing in other initiatives will not address the acute or long-term water shortage issue.</p> <table border="1" data-bbox="352 1854 1011 1937"> <thead> <tr> <th data-bbox="352 1854 667 1895">Rates impact (year 1)</th> <th data-bbox="667 1854 1011 1895">Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td data-bbox="352 1895 667 1937">1.39% rates increase</td> <td data-bbox="667 1895 1011 1937">\$1.0b</td> </tr> </tbody> </table>	Rates impact (year 1)	Debt impact (10 years) inflated	1.39% rates increase	\$1.0b
Rates impact (year 1)	Debt impact (10 years) inflated				
1.39% rates increase	\$1.0b				

Options	Overview				
<p><b>C*</b></p>	<p>This option is preferred by the Council as the greatest level of investment affordable within Council's current financial constraints and is targeted toward the most critical network risks.</p> <p>This will help to address some of the potable water network issues in the short to long-term with additional funding for short-term work to address water leaks as well as initiatives, such as water meters, to address water supply over the medium to long-term.</p> <p><b>Operational funding \$60.3m per year + \$2.3m in year 1 (\$673.2m over 10 years, inflated)</b></p> <p>This option includes a modest increase in operational funding over the money provided in 2023/24. It is the maximum affordable budget for the Council.</p> <p><b>Capital funding \$1.157b (inflated) over ten years including \$142.6m for water meters from year 4</b></p> <p>This option includes the same capital expenditure projects in Option A, plus \$142.6m from year 4 to deliver the meters as in Option B. How or if water meters will be implemented will be based on the business case and formal consultation with the community ahead of any decisions.</p> <p>Plus the following additional projects:</p> <ol style="list-style-type: none"> <li>1) Golden Mile Opportunistic Renewals</li> <li>2) Bell Road and Moe-i-te-Ra Reservoirs from year 9</li> <li>3) Eastern Trunk Waste Water Main – Stage 1 Airport cargo area pipe</li> </ol> <p>This option includes reducing the investment in stormwater and wastewater network renewals in years 8, 9 and 10 by \$83.24m, so that the funding can be moved forward and reprioritised towards addressing some critical risks such as the most critical section of the Eastern Trunk Main and towards an increase in drinking water network renewals. This means the required waste and storm water renewals and upgrades remain under-funded in this option with ongoing risks as a consequence.</p> <p>The primary focus of this option is improving the performance of existing infrastructure. Investment across the three waters network to support population growth will be a focus for the 2027 LTP.</p> <p>This is still a lower level of investment than is required in three waters and will require focused work on identifying alternative models for water management in the Wellington region to enable an increased level of funding to be provisioned in the future.</p> <table border="1" data-bbox="352 1444 1094 1556"> <thead> <tr> <th data-bbox="352 1444 735 1489">Rates impact (year 1)</th> <th data-bbox="735 1444 1094 1489">Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td data-bbox="352 1489 735 1556">2.50% rates increase, included in the proposed 16.4% rates increase</td> <td data-bbox="735 1489 1094 1556">\$1.2b</td> </tr> </tbody> </table>	Rates impact (year 1)	Debt impact (10 years) inflated	2.50% rates increase, included in the proposed 16.4% rates increase	\$1.2b
Rates impact (year 1)	Debt impact (10 years) inflated				
2.50% rates increase, included in the proposed 16.4% rates increase	\$1.2b				

# Key proposal 2: Waste collection and funding changes

## The purpose

We know that Wellingtonians care deeply about our city's environment. Reducing the city's waste is critical to achieving a more sustainable future and will help us reduce our emissions.

The Council's He anamata para kore mō Pōneke Zero Waste Strategy [\[link\]](#) aims to reuse materials and products for as long as possible in the city (a circular economy) and has the following targets:

- Reduce total waste to landfill by 50% by 2030
- Reduce per capita kerbside waste to landfill by 40% by 2030
- Divert 50-70% of organic waste from landfill by 2030
- Reduce biogenic methane emissions by at least 30% by 2035

We need to make decisions now because our contractor's rubbish and recycling trucks are old and need to be replaced. Our current waste collection contract expires in June 2026 and a replacement truck fleet will be part of the new contract. Collections trucks are specially made and can take more than a year to arrive once we order them.

Therefore, for this Long-term Plan it's time to talk trash.

## The organic opportunity

At the heart of our waste problem is food scraps and garden waste. They make up about 58 percent of what households put in their rubbish. Currently 23,000 tonnes of organic waste goes to the Southern Landfill every year. We divert 5,000 tonnes, but to meet our 2030 targets, we need to divert at least another 11,500 tonnes. Organic waste that is buried in landfill generates methane as it breaks down. Capturing and processing this material reduces emissions.

That's why, instead of just rolling over our waste contract or going with the same service, we want to introduce a kerbside organics collection for Wellingtonians. Many other Councils have already made this change. If we introduce this new service, there needs to be suitable processing facilities available to turn the organic material into beneficial products. We are working with Hutt City Council and Porirua City Council on options for a regional solution.

Waste collection services work together to influence how people use them and how much waste will be diverted. A change to one part of the system means we need to look at the rest – should we have wheelie bins for rubbish? Are our recycling bins big enough? Do we want a different collection method for glass?

Any changes will be implemented from 2026 and more details will be communicated as plans are finalised in the next two years.

## The options

We are proposing options in two areas: 1. Rubbish and Organics and 2. Recycling and Glass.

Our preferred option is a rates-funded weekly organics service for food scraps and garden waste, combined with a rates-funded rubbish wheelie bin that will be collected fortnightly. This will be combined with a bigger 240L fortnightly recycling wheelie bin, but we propose retaining our 45L fortnightly glass service.

Details and notes on all the options are below, including the proposed introduction of a new targeted rate for organics and rubbish collection.

Tell us what your preferred option is for our waste collection in your submission.

### Introducing the new services

Due to Wellington's streetscape, some households are not safe for a wheelie bin collection service because this will create traffic delays or obstruct footpaths. These households will remain on a bagged collection for rubbish and recycling, with a glass crate and a 23L food scraps caddy if the service is introduced. We will review the households that currently receive bagged recycling collection to see if any can safely switch to wheelie bins.

### A targeted rate for rubbish and organics

The proposed organics collection and new rubbish wheelie bin collection will be funded using a mandatory targeted rate, which is likely to be a flat fee for all households that can receive the services. A targeted rate is needed because the revenue from landfill fees isn't enough to fund organics on top of recycling, and the technology for charging each time a bin is emptied is unreliable and error prone.

A general rate is not appropriate as commercial properties will be charged but not receive any benefit from the service. Households will not be able to opt out of the proposed targeted rate. This will ensure the service is cost effective and no household is disadvantaged (e.g. landlords could choose to opt out leaving renters to arrange their own service).

Some households will not be able to receive the council services because their bins need to be collected from private land. These are mostly on private roads or part of an apartment or townhouse complex. Properties in the central city will continue to receive daily rubbish collection and weekly recycling collection. The targeted rate will not apply to any property that cannot receive any collection service. Council will consider collection options for these properties in future.

The Council is exploring whether to offer alternate bin sizes for residents to choose from, with the associated final targeted rate costs reflecting the bin size. This will make the service more affordable for households that already produce very little waste and will accommodate larger households.

### Option costs

The option costs for all collections are provisional and presented as a range as this service will not be put in place for at least two years. The low estimate for the debt is \$0m as it is possible a waste management company may purchase any new bins or fund the construction of a new organics processing facility and charge the Council an annual fee which would be paid for by the targeted rate. The Council's lower interest rates means it may be cheaper for us to purchase those assets. These options will be considered as the project develops. If we proceed with a change further consultation will likely occur.

## Rubbish and Organics

We are proposing changing our rubbish collection to wheelie bins and to introduce a new organics service. This change means that we will move to a fortnightly rubbish collection as it saves money and increases the use of the organics collection by more than 20 percent.

Option	Collection				
<b>A</b>	<p><b>Weekly 50L rubbish bags and no organics collection.</b></p> <ul style="list-style-type: none"> <li>Rubbish cost per household: user pays</li> <li>Organics cost per household: none</li> <li>Estimated material diverted from landfill: none</li> <li>Estimated reduction in emissions from landfill: none</li> </ul> <p><i>Note: This is the status quo - user pays funding for rubbish bags, collected weekly.</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>Worker safety - bags have the highest risk of injury</li> <li>Private rubbish service - can be used instead of Council service</li> <li>Truck movements - multiple trucks per week from private and Council rubbish collectors</li> <li>If the number of people using Council rubbish bags continues to fall the cost per bag will rise over time</li> </ul> <table border="1"> <thead> <tr> <th>Rates impact (year 3)</th> <th>Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td>No impact</td> <td>no impact</td> </tr> </tbody> </table>	Rates impact (year 3)	Debt impact (10 years) inflated	No impact	no impact
	Rates impact (year 3)	Debt impact (10 years) inflated			
No impact	no impact				
<b>B</b>	<p><b>Fortnightly 50L rubbish bags and Weekly 23L food only bin</b></p> <ul style="list-style-type: none"> <li>Rubbish cost per household: user pays</li> <li>Estimated material diverted from landfill: 1,500 - 4,700 tonnes</li> <li>Estimated reduction in emissions from landfill: 900 - 2,700 tonnes of eCO2</li> </ul> <p><i>Note: Funded through a user pays charge for rubbish and a targeted rate for organics. Rubbish will change to fortnightly collection once organics is introduced.</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>Worker safety - bags have highest risk of injury and caddies have medium risk</li> <li>Wind - caddies are likely to blow around</li> <li>Private rubbish service - can be used instead of Council service</li> <li>Truck movements - multiple trucks per week from private and Council collectors</li> <li>Odour - could be some issues from material that cannot go in the organics caddy</li> <li>If the number of people using Council rubbish bags continues to fall the cost per bag will rise over time</li> </ul> <table border="1"> <thead> <tr> <th>Rates impact (year 3)</th> <th>Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td>Targeted Organics Rate (per household): <b>between \$92 and \$126</b></td> <td>Between \$0m and \$22.0m over 10 years</td> </tr> </tbody> </table>	Rates impact (year 3)	Debt impact (10 years) inflated	Targeted Organics Rate (per household): <b>between \$92 and \$126</b>	Between \$0m and \$22.0m over 10 years
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Targeted Organics Rate (per household): <b>between \$92 and \$126</b>	Between \$0m and \$22.0m over 10 years				
<b>C</b>	<p><b>Fortnightly 50L rubbish bags and Weekly 80L food and garden wheelie bin</b></p> <ul style="list-style-type: none"> <li>Rubbish cost per household: user pays</li> <li>Estimated material diverted from landfill: 3,500 - 8,700 tonnes</li> <li>Estimated reduction in emissions from landfill: 1,300 - 3,300 tonnes eCO2</li> </ul> <p><i>Note: Funded through a user pays charge for rubbish and a targeted rate for organics. Households that cannot safely have a wheelie bin will get a 23L food only caddy. Rubbish will change to fortnightly collection once organics is introduced.</i></p> <p><u>What this means</u></p>				

Option	Collection				
	<ul style="list-style-type: none"> <li>Worker safety – bags are highest risk for injury, but wheelie bins are lowest risk</li> <li>Wind – 80L wheelie bin less likely to be affected</li> <li>Private rubbish service – can be used instead of Council service</li> <li>Truck movements – multiple trucks per week from private and Council collectors</li> <li>Odour – could be some issues from material that cannot go in the organics bin</li> <li>If the number of people using Council rubbish bags continues to fall the cost per bag will rise over time</li> </ul> <table border="1" data-bbox="320 595 1332 692"> <thead> <tr> <th data-bbox="320 595 842 629">Rates impact (year 3)</th> <th data-bbox="842 595 1332 629">Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 629 842 692">Targeted Organics Rates (per household): <b>between \$110 to \$151</b></td> <td data-bbox="842 629 1332 692">Between \$0m and \$22m over 10 years</td> </tr> </tbody> </table>	Rates impact (year 3)	Debt impact (10 years) inflated	Targeted Organics Rates (per household): <b>between \$110 to \$151</b>	Between \$0m and \$22m over 10 years
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Targeted Organics Rates (per household): <b>between \$110 to \$151</b>	Between \$0m and \$22m over 10 years				
<b>D</b>	<p><b>Weekly 80L rubbish wheelie bin and no organics collection.</b></p> <ul style="list-style-type: none"> <li>Estimated material diverted from landfill: none</li> <li>Estimated reduction in emissions from landfill: none</li> </ul> <p><i>Note: Funded by a change to a targeted rate for rubbish instead of user pays.</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>Worker safety – Automated wheelie bin collection has the lowest risk of injury</li> <li>Private rubbish service – will be in addition to Council service</li> <li>Truck movements – one rubbish truck per week</li> </ul> <table border="1" data-bbox="320 1010 1332 1108"> <thead> <tr> <th data-bbox="320 1010 842 1043">Rates impact (year 3)</th> <th data-bbox="842 1010 1332 1043">Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1043 842 1108">Targeted Rate for rubbish (per household): <b>between \$201 to \$259</b></td> <td data-bbox="842 1043 1332 1108">Between \$0m and \$3.3m over 10 years</td> </tr> </tbody> </table>	Rates impact (year 3)	Debt impact (10 years) inflated	Targeted Rate for rubbish (per household): <b>between \$201 to \$259</b>	Between \$0m and \$3.3m over 10 years
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Targeted Rate for rubbish (per household): <b>between \$201 to \$259</b>	Between \$0m and \$3.3m over 10 years				
<b>E</b>	<p><b>Fortnightly 120L rubbish wheelie bin and Weekly 23L food only bin</b></p> <ul style="list-style-type: none"> <li>Estimated material diverted from landfill: 1,500 – 4,700 tonnes</li> <li>Estimated reduction in emissions from landfill: 900 – 2,700 tonnes of eCO<sub>2</sub></li> </ul> <p><i>Note: Funded by a change to a targeted rate for rubbish and organics. Rubbish will change to fortnightly collection once organics is introduced.</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>Worker safety – Automated wheelie bin collection is lowest risk, but manually collection caddies are medium risk</li> <li>Wind – caddies are likely to blow around</li> <li>Private rubbish service – will be in addition to Council service</li> <li>Truck movements – one organics truck weekly and one rubbish truck fortnightly</li> <li>Odour – could be some issues from material that cannot go in the organics caddy</li> </ul> <table border="1" data-bbox="320 1547 1332 1677"> <thead> <tr> <th data-bbox="320 1547 842 1581">Rates impact (year 3)</th> <th data-bbox="842 1547 1332 1581">Debt impact (10 years) inflated</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1581 842 1677">Targeted Rates (per household): Rubbish between <b>\$152 to \$208</b>, and Organics between <b>\$92 to \$126</b></td> <td data-bbox="842 1581 1332 1677">Between \$0m and \$25.5m over 10 years</td> </tr> </tbody> </table>	Rates impact (year 3)	Debt impact (10 years) inflated	Targeted Rates (per household): Rubbish between <b>\$152 to \$208</b> , and Organics between <b>\$92 to \$126</b>	Between \$0m and \$25.5m over 10 years
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Targeted Rates (per household): Rubbish between <b>\$152 to \$208</b> , and Organics between <b>\$92 to \$126</b>	Between \$0m and \$25.5m over 10 years				
<b>F*</b>	<p><b>Fortnightly 120L rubbish wheelie bin and Weekly 80L food and garden wheelie bin</b></p> <ul style="list-style-type: none"> <li>Estimated material diverted from landfill: 3,500 – 8,700 tonnes</li> <li>Estimated reduction in emissions from landfill: 1,300 – 3,300 tonnes of eCO<sub>2</sub></li> </ul> <p><i>Note: Funded by a change to a targeted rate for rubbish and organics. Households that cannot safely have a wheelie bin will get a 23L food only caddy. Rubbish will change to fortnightly collection once organics is introduced.</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>Worker safety – Automated wheelie bin collection has the lowest risk of injury</li> </ul>				

Option	Collection				
	<ul style="list-style-type: none"> <li>• Wind – 80L wheelie bin less likely to be affected</li> <li>• Private rubbish service – will be in addition to Council service</li> <li>• Truck movements – one organics truck weekly and one rubbish truck fortnightly</li> <li>• Odour – could be some issues from material that cannot go in the organics bin</li> </ul>				
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## Recycling

We also want to make some changes to our recycling service, which will remain funded by the recycling levy in our landfill gate fees.

Our current recycling bins and glass crates are nearly 15 years old and starting to break. We will need to issue new bins to everyone in the city soon, so we have an opportunity to consider if we should change the kind of bins we use.

There are two options for the recycling wheelie bins: replace them with a bin of the same size or one that's about double the size. Many recycling wheelie bins are full to overflowing on collection days and people are crushing items to fit more in the bin. Crushed items are more difficult to process so this is not recommended.

For glass, there is the opportunity to look at a different collection method – a wheelie bin rather than the glass crate.

Option	Collection				
<b>A</b>	<p><b>Fortnightly 140L recycling wheelie bin and Fortnightly 45L glass crate</b></p> <ul style="list-style-type: none"> <li>• Recycling cost: smaller or larger bins cost about the same to collect</li> <li>• Glass cost: bins are about \$750,000 (20%) cheaper to collect than crates</li> <li>• Smaller recycling bins and glass crates are cheapest to buy</li> <li>• Estimated material diverted from landfill: no increase</li> </ul> <p><i>Note: This is the status quo</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>• No increase in recycling capacity and people will still crush items, which makes them hard to sort and process.</li> <li>• Colour sorted glass can be recycled into new bottles which is a circular use</li> <li>• Worker safety – manual collection of crates is medium risk</li> </ul>				
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<b>B</b>	<p><b>Fortnightly 140L recycling wheelie bin and Four-weekly 80L glass wheelie bin</b></p> <ul style="list-style-type: none"> <li>• Recycling cost: smaller or larger bins cost about the same to collect</li> <li>• Glass cost: bins are about \$750,000 (20%) cheaper to collect than crates</li> <li>• Glass wheelie bins are more expensive to buy than crates</li> <li>• Estimated material diverted from landfill: no increase</li> </ul> <p><u>What this means</u></p>				

Option	Collection				
	<ul style="list-style-type: none"> <li>No increase in recycling capacity and people will still crush items, which makes them hard to sort and process.</li> <li>Four weekly collection of glass is cheaper than fortnightly</li> <li>Glass collected in a wheelie bin can't be colour sorted to be remade into bottles, so it is ground into a sand substitute for roading. This is not a circular use of the material.</li> <li>Worker safety - automated collection of bins is lowest risk</li> </ul> <table border="1"> <tr> <td><b>Rates impact (year 3)</b></td> <td><b>Debt impact (10 years) inflated</b></td> </tr> <tr> <td>no impact - funded from landfill fees</td> <td>Between \$0m and \$6.8m over 10 years</td> </tr> </table>	<b>Rates impact (year 3)</b>	<b>Debt impact (10 years) inflated</b>	no impact - funded from landfill fees	Between \$0m and \$6.8m over 10 years
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no impact - funded from landfill fees	Between \$0m and \$6.8m over 10 years				
<b>C*</b>	<p><b>Fortnightly 240L recycling wheelie bin and Fortnightly 45L glass crate</b></p> <ul style="list-style-type: none"> <li>Recycling cost: smaller or larger bins cost about the same to collect</li> <li>Glass cost: bins are about \$750,000 (20%) cheaper to collect than crates</li> <li>Glass crates are cheaper to buy than wheelie bins, but larger recycling bins are more expensive</li> <li>Estimated material diverted from landfill: up to 5,500 tonnes</li> </ul> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>This option increases recycling capacity</li> <li>Colour sorted glass can be recycled into new bottles which is a circular use</li> <li>Worker safety - manual collection of crates is medium risk</li> </ul> <table border="1"> <tr> <td><b>Rates impact (year 3)</b></td> <td><b>Debt impact (10 years) inflated</b></td> </tr> <tr> <td>no impact - funded from landfill fees</td> <td>Between \$0m and \$4.9m over 10 years</td> </tr> </table>	<b>Rates impact (year 3)</b>	<b>Debt impact (10 years) inflated</b>	no impact - funded from landfill fees	Between \$0m and \$4.9m over 10 years
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<b>D</b>	<p><b>Fortnightly 240L recycling wheelie bin and four-weekly 80L glass wheelie bin</b></p> <ul style="list-style-type: none"> <li>Recycling cost: smaller or larger bins cost about the same to collect</li> <li>Glass cost: bins are about \$750,000 (20%) cheaper to collect than crates</li> <li>These bins are the most expensive to buy</li> <li>Estimated material diverted from landfill: up to 5,500 tonnes</li> </ul> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>This option increases recycling capacity</li> <li>Four weekly collection of glass is cheaper than fortnightly</li> <li>Glass collected in a wheelie bin can't be colour sorted to be remade into bottles, so it is ground into a sand substitute for roading. This is not a circular use of the material.</li> <li>Worker safety - automated collection of bins is lowest risk</li> </ul> <table border="1"> <tr> <td><b>Rates impact (year 3)</b></td> <td><b>Debt impact (10 years) inflated</b></td> </tr> <tr> <td>no impact - funded from landfill fees</td> <td>Between \$0m and \$7.8m over 10 years</td> </tr> </table>	<b>Rates impact (year 3)</b>	<b>Debt impact (10 years) inflated</b>	no impact - funded from landfill fees	Between \$0m and \$7.8m over 10 years
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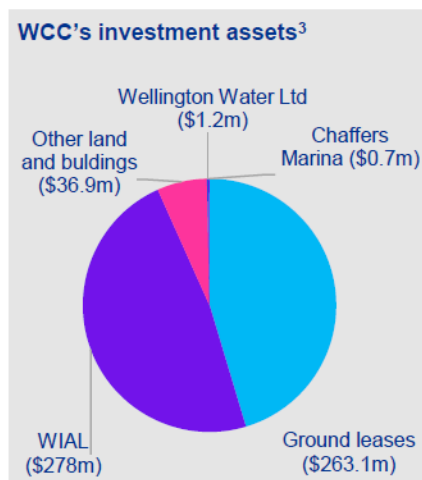
# Key proposal 3: Create a perpetual investment fund through airport share sale

## The purpose

The Council is proposing to set up a new Perpetual Investment Fund to diversify our investment portfolio and ensure we can manage future financial and insurance risks. A Perpetual Investment Fund is an investment fund that is intended to continue forever and support current and future generations of Wellington ratepayers.

This is being proposed in response to two main challenges: the lack of diversification of our investment portfolio; and the increasing difficulty and cost to insure our assets. A brief summary of the challenges are below with more information available in our Financial Strategy ([insert QR code/link](#)).

### Challenge 1: Lack of diversification in the investment portfolio



The Council's investments are predominantly property assets and are concentrated in Wellington – 93 percent of our investment portfolio is our Wellington International Airport Ltd minority shareholding and property ground leases. This means our investments are exposed to the same risks and disruptive events, particularly natural disasters and market disruptions. Therefore, it is unlikely we'd be able to sell them to raise cash in an emergency as their value could be significantly impacted and/or it could be difficult to undertake a sale at that time. These disruptive events can also mean the loss of a key revenue stream if dividends are not paid or the amount we receive in dividends is lower than we planned.

Additionally, changes to natural hazard modelling (as discussed below) means there is an increased likelihood that

we will need to raise cash following a natural disaster because the financial costs of a major event are likely to be higher than we previously anticipated.

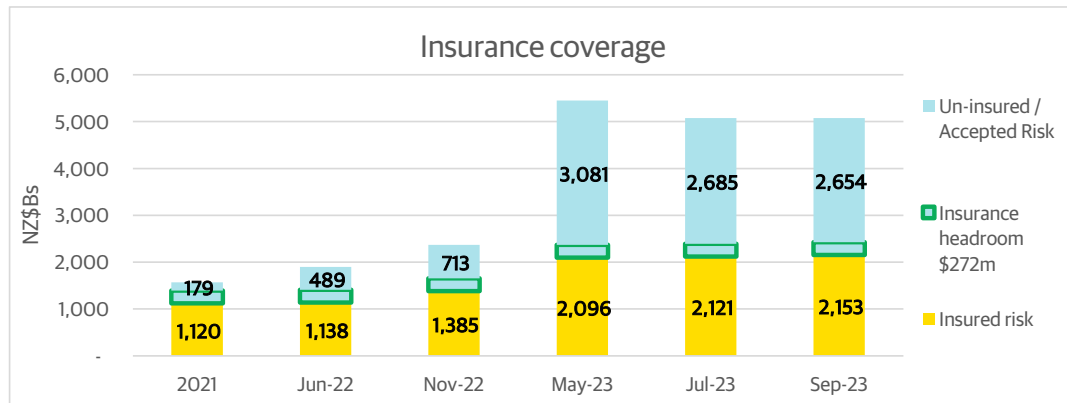
### Challenge 2: Cost and availability of insurance

The Council's assets are exposed to significant risk due to Wellington's seismic profile. It is becoming harder to get insurance to cover our assets, with coverage either unavailable, limited or with extremely high premiums. The effects are being felt by private and public property and asset owners and we expect this trend to continue. The value of our buildings and infrastructure has also increased, meaning higher costs to replace them, further increasing the cost of insurance.

The release of the 2022 National Seismic Hazard Model [[link](#)] has increased the Probable Maximum Loss from a major event for many of the Council's assets. This means the financial impact of a seismic event is

greater than previously thought. Additionally, recent weather events across New Zealand have highlighted the reality of climate change impacts.

All these changes have led to the Council assuming a greater level of uninsured risk over the past few years, as shown in the graph below. The \$272m debt headroom the Council has been holding to cover uninsured risk is now far from sufficient to cover expected losses after a major event. So we need to take a different approach.



Other Councils have successfully taken similar action to manage their portfolios and diversify their investments. Examples are the New Plymouth District Council Perpetual Investment Fund [\[link\]](#), the Dunedin City Council Waipori Fund [\[link\]](#), and the Hawke’s Bay Regional Council Future Investment Fund [\[link\]](#). And Auckland Council is also consulting with the community on a similar proposal in its current LTP.

### How will it work?

The Perpetual Investment Fund will be a financial asset that will be publicly owned by the Council. It is proposed that this will be set up in the next two years by selling our 34 percent minority shareholding in Wellington International Airport Ltd and reinvesting the proceeds into the fund. We will also use money from any future sale of property ground leases to further increase the fund.

All this money will be ‘ring-fenced’, meaning funds could only be withdrawn and used for the purposes for which the fund is established. It will be used for the long-term benefit of the city by providing a regular revenue stream through an annual dividend, like the airport shares do now. It will also provide critical, accessible funding in the event it is needed (e.g., in response to a natural disaster). It will not be able to be withdrawn by the Council for other purposes (for example, to pay back debt or pay for other Council projects).

The value in our financial statements for the airport shares was \$278m at 30 June 2023, however market value could be higher. The Council will undertake a full, formal market valuation prior to beginning the sale process. Based on early modelling, we anticipate the fund’s starting value could be \$492m (a midrange estimate of \$500m market valuation for the shares and \$8m to sell the shares and set up the fund). The modelling also assumes the sale of a small number of ground leases over years five to 10 of the Long-term Plan, at a total value of \$50m, with the proceeds transferred into the fund.

The Council will create a strategy with clear parameters to direct how the fund works, including the arrangements for how to govern, manage and grow the fund. For example, how conservatively or aggressively the money will be invested along with any other criteria to pursue alongside consideration of financial returns. The Council’s current assumption is that the fund will have an investment focus on

environmental, social and governance factors, subject to further advice from an investment manager. Council will appoint a fund manager to invest in assets and grow the size of the fund according to the strategy put in place by Council.

The return generated by the fund will depend on how conservatively or aggressively it is invested. For the purposes of modelling the financial impact in the options below, we have assumed the fund generates a 7 percent annual return, which is similar to returns achieved by other comparable investment funds and also the mid-range returns of growth-focused KiwiSaver funds.

The Council needs to decide how much of the return is reinvested into the fund to enable it to grow and how much is returned to the Council. For the options below, we have assumed a hypothetical 5:2 split of the 7 percent annual return mentioned above, meaning approximately 70 percent of any investment proceeds will be returned to the Council with the remainder being reinvested back into the fund enabling it to grow over time. This split ensures the Council gets revenue from the fund that approximately matches the forecast dividends we will have received from the airport and that there are additional returns for reinvestment. The Council could choose a different split, for example if it wanted more of the return to be reinvested to enable the value of the fund to grow more quickly.

## The options

Options	Detail
<p><b>A</b> <b>Preferred</b></p>	<p>The Council will sell its <b>full holding of airport shares</b> and create a new publicly owned financial asset by reinvesting the proceeds in a perpetual investment fund. Proceeds from future ground lease sales could also be transferred into the fund (if/when these leases were considered for sale)</p> <p><i>Under this option, we have assumed sale proceeds from WIAL shares of \$500m (based on valuation midrange), with an \$8m cost for the sale. This leaves a starting fund balance of \$492m. We have also assumed \$50m in ground lease sales, spread over years five to ten of the LTP, with proceeds being invested in the fund.</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>• Selling all the airport shares provides the greatest benefits in how we can mitigate the financial risks outlined above, including increasing the diversification to better manage risk, provide security of revenue stream via diversification of investments, and increasing access to funds for rebuilding or providing financial relief after a natural disaster.</li> <li>• While we will no longer have a dividend from the airport, expected returns have been assumed at 7% based on other comparable funds and could be the same or greater than our airport dividend. This means we can use some of the return on the fund as revenue for the Council and some to reinvest in the fund to enable it to grow.</li> <li>• Enables the Council to invest in line with its strategic objectives e.g. environmental and climate objectives</li> <li>• Enables the Council to no longer need to hold \$272m debt headroom/capacity for increased borrowing in the event of a natural disaster, which frees up the Council's borrowing capacity.</li> <li>• As the Council will no longer be a shareholder, it will not be called on to contribute capital funding to the airport in the future (or face dilution of its shareholding if others invested in the company), including if the airport needed funding to rebuild after a natural disaster.</li> </ul> <p>Costs:</p>

Options	Detail
	<p>This option will have no impact on Council rates as the new investment fund will produce a dividend similar to the one currently received from WIAL. The forecast WIAL dividend offset rates by approximately 2.0% in 2024/25. However, the exact dividend amounts received varies year on year.</p> <p>This option frees up \$272m of headroom held in our debt to revenue ratio, but has no impact on the amount of debt Council has.</p>
<b>B</b>	<p>The Council will sell <b>some of its airport shares</b> and create a new publicly owned financial asset by reinvesting the proceeds in a perpetual investment fund. Proceeds from future ground lease sales could also be transferred into the fund (if/when these leases were considered for sale).</p> <p><i>Under this option, we have assumed sale proceeds from WIAL shares of \$250m (based on valuation midrange for half the shareholding), with a \$4m cost for the sale. This leaves a starting fund balance of \$246m. We have also assumed \$50m in ground lease sales, spread over years five to ten of the LTP, with proceeds being invested in the fund. The Council also retains half its WIAL shareholding</i></p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>• Selling some of the airport shares provides some diversification in the Council's investments to help mitigate the financial risks outlined above and provides some improved access to funds for rebuilding or providing financial relief after a natural disaster. This is less than Option A. but more than Option C.</li> <li>• While we will receive a smaller dividend from the airport, expected returns from the fund have been assumed at 7% based on other comparable funds and could be the same or greater than the reduced airport dividend. This means we can use some of the return from the fund as revenue and some to reinvest in the fund to enable it to grow.</li> <li>• Enables the Council to invest in line with its strategic objectives e.g. environmental and climate objectives. This is less than Option A but more than Option C</li> <li>• Enables the Council to reduce the \$272m debt headroom/capacity held for increased borrowing in the event of a natural disaster, which frees up the Council's borrowing capacity. However, the amount of headroom that can be reduced depends on the amount of shares sold. This option will mean the Council needs to hold less debt headroom than Option C but more than Option A</li> <li>• As the Council will still be a shareholder, it will be called on to contribute capital funding to the airport in the future if it was required of shareholders (or face dilution of its shareholding if it chose not to provide funding and/or if others invested in the company), including funding any rebuild of the airport after a natural disaster.</li> <li>• Compared to Option A, the value of the fund will be lower, meaning in the event of a natural disaster, the Council will likely need to borrow more to fund recovery</li> </ul> <p>Costs:</p> <p>This option will have no impact on Council rates as the new investment fund and the smaller shareholding in WIAL will produce a dividend similar to the one currently received. The forecast WIAL dividend offset rates by approximately 2.0% in 2024/25. However, the exact dividend amounts received varies year on year.</p>

Options	Detail
	<p>This option frees up some of the \$272m of headroom held in our debt to revenue ratio, but not as much as Option A, but has no impact on the amount of debt Council has.</p>
<p><b>C</b></p>	<p>Under this option, the Council will <b>retain all its current airport shareholding</b> and will not establish the investment fund. Proceeds from any future ground lease sales will be utilised for other purposes.</p> <p><u>What this means</u></p> <ul style="list-style-type: none"> <li>• This option does nothing to address the balance sheet challenges outlined above - the Council will continue to hold an undiversified portfolio and have the same exposure to financial and insurance risks and the Council will need to borrow more to fund recovery from an unexpected event</li> <li>• The Council will continue to receive revenue via the dividend on its current shareholding, which helps keep rates lower than they will otherwise be (noting the Council has not received a dividend every year).</li> <li>• As the Council will still be a shareholder, it will be called on to contribute capital funding to the airport in the future if it was required of shareholders or face dilution of its shareholding if others invested in the company. This could include the need to fund any rebuild of the airport after a natural disaster.</li> <li>• The Council will need to continue to hold debt headroom and maybe increase this amount over time to enable it to be able to borrow to fund recovery, given the extent of the Council's uninsured risk. This limits our ability to fund other projects.</li> <li>• This option does not provide the Council with the option to invest its assets in line with its strategic goals e.g. environmental and climate objectives</li> </ul> <p>Costs:</p> <p>This option will have no impact on Council rates (unless a dividend is not paid) as we will continue to receive a dividend from WIAL. The forecast WIAL dividend offset rates by approximately 2.0% in 2024/25. However, the exact dividend amounts received varies year on year.</p> <p>This option means we will need to retain the \$272m of headroom held in our debt to revenue ratio.</p>

## Other proposed changes

We have made several changes to our plans given affordability pressures, in some cases this has involved changes to the timing or scope of projects to ensure they remain affordable, others have been proposed for removal or in other cases changes to fees and charges are proposed to help ease the pressure on rates.

### Parking charges

#### Suburban centre shopping precinct parking fees

The proposed introduction of parking fees in the suburban centre shopping precincts of Tawa, Johnsonville, Newlands, Khandallah, Northland, Karori, Aro Valley, Kelburn, Newtown, Berhampore, Island Bay, Kilbirnie, Miramar and Rongotai is proposed to better manage high demand. While the Parking Policy recommends that fees be introduced when the occupancy of spaces is consistently over 85 percent, turnover is low, duration of stay regularly exceeds the current time restriction(s), and non-compliance is high, Council wishes to seek feedback on introducing fees across the city for consistency. Parking fees will also increase the proportion of costs of suburban centre shopping precinct parking directly met by the user. If approved, detailed consultation will occur for each suburban centre individually as part of a traffic resolution process to resolve the location and number of spaces to be charged for and the relevant fee.

#### Motorcycle parking fees

Introduction of a parking fee for motorcycle parking in central city motorcycle parking bays is proposed to better manage demand. The Parking Policy recommends that a parking fee proportional to the road space used be introduced for motorcycles in the central city when occupancy of spaces is consistently over 85 percent, turnover is low, duration of stay regularly exceeds three hours, and non-compliance is high.

The policy also sets out that the charge should be applied (or not applied) to each motorcycle parking bay in the central city according to the demand and use pattern of that individual bay and will not necessarily be applied to all locations in the central city at the same time. A motorcycle parking fee will also increase the proportion of costs of motorcycle parking directly met by the user. The fees proposed will be individual to each bay, up to a likely maximum of \$2.50/h, to manage occupancy appropriately, and will be consulted on individually as part of a traffic resolution process.

This Long-term Plan also includes other changes to our Fees and User Charges, as per the draft Revenue and Financing Policy. More information on this from page X.

### Khandallah Pool

Khandallah Pool is part of Wellington's aquatic facility network that includes seven swimming pools across the city. These offer learn-to-swim programmes, aquatic classes, and sports training sessions and events, and general leisure and exercise use. Built in 1925, Khandallah is the second oldest pool in the network.

The open air, unheated pool is open from the start of December until early March, from 11am to 7pm daily. With an average annual attendance of 10,339 visits over the past four seasons, is the least utilised facility of all the summer pools in the region. While Thorndon operates a longer season, the average annual attendance over the past four years for same period is 20,099.

The 2011 Wellington Aquatic Facilities Plan identified that the pool was “well below the current built aquatic facility standards”. In February 2022 Council discussed several options for the future of the pool and passed the resolution to ‘increase the level of service’ i.e. a full rebuild of the structure.

However, since then technical analysis completed, including topographical survey; geotechnical investigation; flood hazard investigation and modelling; infrastructure review; and environmental analysis, has identified several physical restrictions and risks at the site. These risks and resulting safety assessments, along with several of the pool buildings being identified as earthquake prone and requiring remediation by January 2030, means a full upgrade of the pool is needed to keep it open. Therefore it is not an option to maintain the current pool or do a like for like replacement.

The cost of \$11.7m to rebuild the pool within the physical site constraints is now significantly more expensive than when it was considered in 2022 (\$8.05m). This estimated cost could result in a potential increase in ratepayer subsidy per swim from \$25 per swim (in the 2022/23 year) to \$60-\$80.

Further information, including the technical reports and Council papers are available here: [Projects - Khandallah Pool redevelopment - Wellington City Council](#)

Therefore, as part of this plan the Council is proposing to close the pool and landscape the site, including improving flood mitigation, and creating a new entranceway into Khandallah Park. This will be designed with accessibility in mind and to support family and community gatherings and events. Work to date on the concept plan includes large flat grassed areas for play, picnics and events, a structure for small community events and restoration of the stream.

Current estimates to deliver this option are \$4.5m; annual operating costs are estimated at \$0.34m.

The primary other option to increase the level of service and rebuild the pool and buildings based on the site analysis will involve raising the pool by 1.8m and decreasing it in size to 25m x 7.5m to mitigate the risk of flooding from the stream. In addition to rebuilding the pool and buildings, a heated section and splashpad will be included along with improvements to the park entranceway.

Current estimates to deliver this option are \$11.7m; annual operating costs are estimated at \$1.1m.

## **Divestment of Wadestown Community Centre**

Wadestown Community Centre (46 Pitt Street, Wadestown) is part of the wider Community Facilities network, which includes community centres, halls, and bookable spaces. Community centres aim to offer resources, services and activities that improve the quality of life in our communities.

Originally owned by the Wadestown Club, the property passed to Wellington City Council in 1930, in exchange for settling the debts of the club. The building was converted into the Wadestown Library, which opened in 1932 and operated as a library until the current Wadestown Library was built. In 1987, the building was retained as a community centre at the request of the community, with contributions made by the Council and community fundraising for its conversion. Initially the centre was owned by the Council and run by the Community, with the running of the Centre passing fully to the Council in 2007.

Historical background on the site is available through WCC Archives: [Archives Online \(wcc.govt.nz\)](#)

In 2021, Council included the intention to sell the centre in the Long-term Plan, due to low use and the accessibility and layout of the site. The divestment process was delayed so the Community Facilities Network Review to take place. This resulted in the adoption of Te Awe Māpara in November 2023.

Te Awe Māpara describes Wadestown Community Centre as, "poorly located on a steep hill, with limited visibility, poor accessibility, no carparking, small size and open layout which limits use and flexibility to provide a range of activities. For these reasons, this building is not viable [as a Community Centre] ..."

In comparison to other similar community facilities, the Wadestown Community Centre has relatively low usage at 29.9% over the hours available to be hired. A good level of usage is above 45%. Of the 4,380 available usage hours, the community centre hours average 1,310 per year.

The location of the site means that it cannot feasibly be modernised to achieve the features required of a modern Community Centre.

There are other fit-for-purpose community facilities in Wadestown and the surrounding areas that allows for the relocation of the current community groups using the site. We will support the users of the community centre to find alternate venue/s.

Therefore, as part of this plan the Council is proposing to sell the community centre. The site has a ratable value of \$1,380,000, including the land value of \$1,120,000. The sale will also achieve \$65,700 per year in net operational saving (expenses less revenue).

Retaining the site will maintain the current level of service. This will require bringing the site up to date with deferred maintenance and renewals, which have not been completed due to the intention to sell as signalled in the 2021-31 Long-term Plan. As the site is aging, investment will be required to bring the site up to a standard that will be considered appropriate for longer-term future use.

Current estimates to deliver on deferred maintenance is \$660,000.

## **Thorndon Quay and Hutt Road**

We have reviewed this project and the proposal is to continue with the Aotea Quay roundabout and the Thorndon Quay portions of the project, but not progress with the Hutt Road portion. This option will see a descopeing of the project to remove the entire Hutt Road portion.

This means a cost saving of approximately \$10m of the Council's contribution to this project. The impacts of this change are that there will be a lower level of service along Hutt Road. There is still a connection from NZTA's Te Ara Tupua (Petone to the City) shared path to Hutt Road to be constructed. It is anticipated this will be built through the same contract as the Thorndon Quay works but funded 100% by NZTA.

## **People-friendly city streets**

We have reviewed this project and the proposal is to progress the highest priority people-friendly city streets projects planned through the former Let's Get Wellington Moving programme, such as a second bus-priority route through the central city and improvements on the routes between the CBD and Miramar for biking, walking and bus priority. In parallel, we will be developing a combined multi-modal programme, including bus-priority improvements, to guide the prioritisation of individual projects in the second half of this plan.

## **Bike network and sustainable street changes**

We are proposing to continue delivering walking, biking, and public transport changes to advance the planned bike network, but at a reduced cost. This will be done by building on the transitional approach, which uses existing street space, as seen along Cambridge Terrace, Bowen Street and Brooklyn Road, but using more permanent materials and infrastructure where required. The upgrade of Evans Bay Parade will



continue between Cobham Drive and Greta Point. We will complete most of the network over the next 10 years.

## **Annual Fireworks**

We are proposing to discontinue funding an annual fireworks event. In recent time this funding has gone towards key events such as Matariki and the FIFA Women's World Cup celebration in 2023. Currently, there are no firework events scheduled for 2024. It is important to note that this funding change excludes the New Years eve event, which includes a fireworks display.

## **Arapaki Service Centre and Temporary Library**

We are proposing to close the Arapaki Service Centre and Library on Manners Street. Arapaki, along with Te Awe and He Matapihi, were established as a temporary central city libraries following the closure of the Central Library in 2019. The temporary libraries were scheduled to close once the new central library, Te Matapihi, opened in February 2026.

This proposal brings forward the closure of Arapaki Service Centre and Library by about 18 months. Te Awe Library in Brandon Street is not affected by this decision and He Matapihi closed in 2023.

The Arapaki Service Centre supports several customer requests, with many more requests and transactions managed via digital channels such as phone and online. We will retain the support for services that need an in-person response (e.g. the collection of recycling bins, and for those with no or limited online access) through moving these services to some of our local libraries.

## **Skate Park upgrades**

We are proposing to remove planned upgrades of Ian Galloway Park and Waitangi Park skate facilities given affordability constraints. This means existing facilities will continue to be provided and maintained, with city skate upgrades focused on the provision of a new facility at Kilbirnie Park (planned for delivery in 2025-26).

## **What's coming up in the future**

There are some issues that we are not ready to include in our budgets or formally consult on. This could be because we are in the process of design or planning, getting technical reports such as from engineers, or because they will be impacted by external factors like Central Government decisions.

Some of the key issues are:

### **Earthquake prone buildings**

We have strengthened the St James Theatre and are progressing the work for the Town Hall. However, there is significant investment required for many other Council venues.

There are several Council buildings that are earthquake prone, including the Opera House, Micheal Fowler Centre, Wellington Museum, and Freyberg Pool, and these have notices and require work. The Council will need to consider all options for these buildings, including demolition or alternative funding for this work.

As part of this, we are currently developing a Te Ngākau masterplan to look at the Civic Square precinct as a whole – how should we best use this space and what are the opportunities to make changes to the area to give effect to the Council's vision for Te Ngākau. This will be out for initial public consultation later in 2024, with final decisions likely forming part of the 2027 Long-term Plan.

### **Three waters management and funding**

We are currently constrained in our ability to invest in our three waters network to the level required given Council funding constraints. The current Government has repealed the three waters reform legislation and is now working with the Local Government sector to develop responses to the challenges of investing in water.

We need to undertake further work with Central Government and other Councils in the region to review the model for three waters infrastructure management to enable a higher level of funding to be committed in the future. Changes created through future Government policy and new legislation is likely to require decision making through a future Long-term Plan process.

For further information on the forecasting assumptions relating to three waters, refer to the significant forecasting assumptions and disclosures in the additional information on our website.

### **Frank Kitts Park redevelopment**

The current LTP (2021-31) budgeted for the Chinese Garden in Frank Kitts Park. There was no funding for the wider Frank Kitts Park redevelopment beyond resource consent lodgement. The resource consent application for the adopted plan is progressing well and will be ready for lodgement shortly. For the upcoming 2024-34 LTP, we propose to allocate funding for consenting process with the remaining cost of construction included in the out years of the LTP. Subject to the resource consent being approved, Councils contribution in the outer years will signal for the first time a strong commitment to the redevelopment of the park and will provide funding certainty that can be leveraged by the other partners to access their own funding streams and previous funding commitments.

If you have feedback on any of these upcoming decisions, please let us know in Question X of the submission form.

# Section 4: Supporting the plan

## In this section

This section includes the indicative rates tables based on our proposed budgets and the summaries or the key changes to our supporting information and policies.

## What are my rates?

The tables in this section show indicative rates for residential, suburban commercial and downtown commercial ratepayers. These do not include the sludge levy.

They are for indicative purposes only and may vary from actual rates.

### Indicative residential property rates inclusive of GST (for properties without a water meter)

Capital Values \$	2024/25 Total Rates (inc GST) \$	Increase over 2023/24
400,000	1,927	18.35%
800,000	3,350	18.06%
1,200,000	4,773	17.94%
1,600,000	6,196	17.87%
2,000,000	7,619	17.83%

### Indicative suburban commercial property rates inclusive of GST (for properties with a water meter)

Capital Values \$	2024/25 Total Rates (inc GST) \$	Increase over 2023/24
1,000,000	11,221	14.63%
1,500,000	16,694	14.59%
2,000,000	22,168	14.57%
2,500,000	27,642	14.56%
3,000,000	33,116	14.55%
3,500,000	38,590	14.54%
4,000,000	44,064	14.54%
4,500,000	49,538	14.54%
5,000,000	55,012	14.53%

### Indicative downtown commercial property rates inclusive of GST (for properties with a water meter)

Capital Values	2024/25 Total Rates (inc GST) \$	Increase over 2024/25
1,000,000	12,689	12.27%

1,500,000	18,898	12.22%
2,000,000	25,106	12.19%
2,500,000	31,314	12.18%
3,000,000	37,523	12.17%
3,500,000	43,731	12.16%
4,000,000	49,939	12.15%
4,500,000	56,148	12.15%
5,000,000	62,356	12.15%

## Sludge Levy

In July 2024, the Council will be introducing a new sludge levy to fund the cost of the new Moa Point sludge minimisation facility. This was approved under the Infrastructure Funding and Finance Act 2020 (IFFA), we consulted on this option through 2021/2022 and received support from the New Zealand Government (Cabinet and the Minister of Housing) in August 2023. We are collecting the levy on behalf of the special purpose vehicle owned by Crown Infrastructure Partners.

## Changes to Rating Policies

### Rating Policy

This Long-term Plan we are making some changes to our Rating Policy. This impacts how we charge and who we charge rates.

Key changes proposed are:

- A new general rates differential on vacant land/derelict buildings
- A targeted rate for recycling and organics collection

#### Vacant Land / Derelict Building Differential

The purpose of the differential on vacant land and derelict buildings is to promote development in the city and to ensure that owners of vacant sites and derelict buildings pay their fair share of costs.

A key community outcome the Council wants to achieve is a vibrant central city, and vacant land and derelict buildings can decrease the likelihood of this and can have negative effects on retailers. Furthermore, vacant land and derelict buildings have a lower capital value (compared with similar land that is non-derelict or has improvements) and the benefits that owners (whether commercial or residential zone) receive from our general activities are disproportionate to the rates they pay, as compared to land which is fully developed and utilised. Also, the appearance of vacant land and derelict buildings can have a negative impact on the perceptions of the central city.

Further details on the definition of vacant land/ derelict buildings can be found in our Rating Policy [\[link\]](#).

#### Waste targeted rate

This proposed targeted rate will pay for the rubbish and organics collection. The targeted rate will be a fixed charge per residential, serviceable rating unit. Further specifications of the targeted rate will be worked through and consulted on later. Non-serviceable rating units will be required to take care of rubbish and organics collection through private providers.

## Remissions and Postponement Policy

The Council is proposing to make some changes to the Rates remission and Rates postponement policies to provide support to ratepayers where really needed.

Key changes proposed are:

- Increasing the low-income remission from \$700 to \$800
- Providing a remission of general rates for owners of EBP that undertake strengthening.
- Clarifying that the remission of targeted rates for properties under development applies to both residential and commercial properties.
- Extending the remission on Māori freehold land to other types of Māori land
- A remission for vacant land if the vacant land is 'activated'.

Further details on the policies can be found in our attached Rates remission and Postponement policy.

## Changes to Development Contribution Policy

Our Development Contributions Policy is the main funding tool we use to fund growth infrastructure. As part of the proposed plan we have made the following key changes to the policy:

- Create three non-residential categories – Commercial, Retail and Industrial categories are proposed to better recognise the different network infrastructure demands that these activities generate. This differs from the 2021 policy, which treated all non-residential activities equally.
- Introduce new development categories for residential to include Retirement Village units, aged care units, small dwellings and standard dwellings to recognise the different network infrastructure demands that these activities generate.
- Update the conversion rates for units of demand by activities
- Update the base unit of demand for transport to 10 trips per Household Unit Equivalent
- Material fee increases - to reflect Council's proposed increased investment in growth infrastructure.

Development contribution increases relate to the Council's intention to deliver more transport, parks and community facility infrastructure as part of the proposed plan. We are also proposing to increase Development Contributions to reflect Council's proposed investment in additional growth infrastructure.

## Changes to Fees and User Charges

Our Revenue and Financing policy guides our decisions on how to fund council services. We consider who benefits from a service (for example, individuals, parts of the community or the community as a whole) to help determine how the service should be funded.

The policy also sets the targets for each council activity, stating what proportion should be funded from user charges, general rates, targeted rates and other sources of income.

As part of the proposed plan, we have reviewed our fees and charges and are proposing some changes.

The following areas have **material fee increases** because of the alignment of fees with market rates or implementation of Council Policy:

- **Transport network control and management** – changes in fee structure to align with market rates to enable access to the road corridor

- **Parks & Reserves** – fee increases related to the Temporary Trading & Events in Public Places policy (TTEPP) implementation
- **Parking** – Introducing paid carparks in key suburbs, in line with the Council Parking Policy. This is detailed more on page X along with in the policy.

These **material fee increases** are because of the rising costs to Council to offer the services:

- **Waste minimisation services** – increased costs due to increased Waste Minimisation Act levy
- **Building control and facilitation** – Proposed new fee charged as part of Corridor Access Request (CAR) application to recover cost of the Wellington Underground Asset Map project.
- **Building control and facilitation, Development Control and Facilitation, Public Health Regulations**- increase in fees due to increasing costs associated with delivery, including operating costs to support aging digital systems, support improvements to delivery, and costs associated with developing and maintaining staff competencies.
- **Cemeteries** – Fee increases for Urns due to supplier price increases

We are also proposing **new fees** in the following areas to streamline some Council booking processes or to offer new services:

- **Charged Up Capital** - The Charged-up Capital project is a WCC initiative to increase the availability of publicly accessible electric vehicle (EV) charging facilities in Wellington. Fees will be charged both for charging (per kwh) and for parking on the spaces on which the chargers are located.
- **Parks & Reserves** – new fees related to TTEPP implementation.
- **Urban Planning & Policy** – new fee related to the Wellington Underground Asset Map project.
- **Wellington Gardens** – new fees related to TTEPP implementation as well as Sexton's Cottage hiring
- **Marinas** – fees for Evans Bay Boat ramp parking

We also have **standard inflation increases** proposed for the following areas:

- Swimming pools
- Recreation centres
- Golf Course
- Cemetery
- Waterfront

Waterfront fees for 2023/24 had an error in daily Waterfront Berth rates, which has been corrected in this years proposed fees, resulting in a fee increase above inflation. We also displayed an incorrect fee for Category 2 Code of Compliance Certificates in the 2023/24 AP. This has been corrected now, resulting in a decrease in this fee.

More detail on the proposed fees can be found on our website: [letstalk.wellington.govt.nz/long-term-plan-2024](https://letstalk.wellington.govt.nz/long-term-plan-2024)

You can provide feedback on the fee increases through the submission form.

# Ō Kaikaunihera | Your Councillors

Wellington City Council is made up of 15 councillors and a Mayor. Like all other local authorities in New Zealand, the Council is elected every three years. The Mayor is elected "at large", meaning by all the city's residents. Councillors are elected by voters from their respective geographical areas (wards). The last election was on 8 October 2022, with a by-election on 17 February 2024 in the Lambton Ward. We also have two pouiwi representatives from our mana whenua partners who sit on our Council committees.

## Mayor Tory Whanau

**Elected:** 2022

**Chair:** Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

mayor@wcc.govt.nz

## Deputy Mayor Laurie Foon Paekawakawa Southern Ward

**Elected:** 2019

**Deputy Chair:** Te Kaunihera o Pōneke | Council and Unaunahi Ngaio | Chief Executive Performance Review Committee

laurie.foon@wcc.govt.nz

## Councillor Nureddin Abdurahman Paekawakawa Southern Ward

**Elected:** 2022

**Deputy Chair:** Kōrau Mātinitini | Social, Cultural, and Economic Committee

nureddin.abdurahman@wcc.govt.nz

## Councillor John Apanowicz Takapū Northern Ward

**Elected:** 2022

**Deputy Chair:** Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee

john.apanowicz@wcc.govt.nz

## Councillor Tim Brown Motukairangi Eastern Ward

**Elected:** 2022

**Chair:** Kōrau Tūāpapa | Environment and Infrastructure Committee

tim.brown@wcc.govt.nz

## Councillor Diane Calvert Wharangi Onslow-Western Ward

**Elected:** 2016

diane.calvert@wcc.govt.nz

## Councillor Ray Chung Wharangi Onslow-Western Ward

**Elected:** 2022

ray.chung@wcc.govt.nz

## Sarah Free Motukairangi Eastern Ward

**Elected:** 2013, and served as Deputy Mayor 2019-2022

**Chair:** Koata Hātepe | Regulatory Processes Committee

sarah.free@wcc.govt.nz

## Councillor Rebecca Matthews Wharangi Onslow-Western Ward

**Elected:** 2019

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

**Deputy Chair:** Kōrau Tūāpapa | Environment and Infrastructure Committee

rebecca.matthews@wcc.govt.nz

**Councillor Ben McNulty**  
Takapū Northern Ward

Elected: 2022

**Deputy Chair:** Koata Hātepe | Regulatory Processes Committee

ben.mcnulty@wcc.govt.nz

**Councillor Teri O'Neill**  
Motukairangi Eastern Ward

Elected: 2019

**Chair:** Kōrau Mātinitini | Social, Cultural, and Economic Committee

teri.oneill@wcc.govt.nz

**Councillor Iona Pannett**  
Pukehinau Lambton Ward

Elected: 2007

iona.pannett@wcc.govt.nz

**Councillor Geordie Rogers**  
Pukehinau Lambton Ward

Elected: 2024 (bi-election)

Geordie.rogers@wcc.govt.nz

**Councillor Tony Randle**

Takapū Northern Ward

Elected: 2022

**Deputy Chair:** Unaunahi Māhirahira | Audit and Risk Committee

tony.randle@wcc.govt.nz

**Councillor Nikau Wi Neera**  
Te Whanganui-a-Tara Māori Ward

Elected: 2022

**Chair:** Pitau Pūmanawa | Grants Subcommittee

nikau.wineera@wcc.govt.nz

**Councillor Nicola Young**  
Pukehinau/Lambton Ward

Elected: 2013

**Deputy Chair:** Pitau Pūmanawa | Grants Subcommittee

nicola.young@wcc.govt.nz

**Holden Hohaia**

Pouwi / Mana Whenua Representative

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**Liz Kelly**

Pouwi / Mana Whenua Representative

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# **Independent Auditor's Opinion**

# Submission Form

## Kōrero mai mō te mahere 10-tau | Have your say on Our 10-Year Plan

All submissions must be received by midnight Sunday 12 May 2024

You don't have to give feedback on every decision – simply choose the ones you're interested in. You can only submit once. You can include supporting information along with your submission.

Before you start, read about our big decisions and the other supporting information in this consultation document.

### Why we're collecting this information

Your feedback matters. This plan is about the future of Wellington and it affects everyone who lives and works here. That's why we want to hear from as many people as possible. Your views will inform the next steps we take.

### Privacy statement

All submissions (including names and contact details) are provided in their entirety to elected members. Submissions (including names but not contact details) will be made available to the public at our office and on our website.

Your personal information will also be used for the administration of the consultation process, including informing you of the outcome of the consultation.

All information collected will be held by Wellington City Council, 113 The Terrace, Wellington, with submitters having the right to access and correct personal information.

Full Name: _____			
Contact details:		Address: _____ _____	
Phone number: _____			
Are you making this submission as an individual or on behalf of an organisation? <input type="checkbox"/> Individual <input type="checkbox"/> Organisation: _____			
What is your connection to Wellington? Tick all that apply			
I am a Wellington City Council ratepayer	<input type="checkbox"/>	I live in Wellington	<input type="checkbox"/>
I own a business in Wellington	<input type="checkbox"/>	I study in Wellington	<input type="checkbox"/>
		I work in Wellington	<input type="checkbox"/>
		I am a visitor to Wellington	<input type="checkbox"/>
Do you wish to speak to Councillors about your submission at an Oral Hearing?			
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

If yes - We are offering two ways of speaking to Councillors about your submission. Please tick which option(s) you would prefer?	
Oral Hearing (formal hearing with set times to speak to full Council, 5mins per individual, 10mins per organisation)	<input type="checkbox"/> Morning
	<input type="checkbox"/> Afternoon
	<input type="checkbox"/> Evening

## Our three key proposals

The next questions relate to the big decisions for the 10-year plan.

- Increasing spending on the three waters network to fix the pipes
- Changes to our waste collection and funding
- Setting up a Perpetual Investment Fund and selling airport shares

Detailed information on these proposals is on pages X to X of the Consultation Document.

Question 4 in this submission form is a place for you to comment or provide any other feedback on the decisions. You are also able to attach further information to your submission at the end of this form.

### Question 1 – Increasing spending on the three waters network to fix the pipes

SUMMARY BLURB

Which of these options do you prefer?

	<b>Option A:</b> weekly 60L rubbish bags and no organics collection
	<b>Option B:</b> Option A plus additional \$Xm operational funding in year 1 and \$Xm capital funding for water meters from year 4
	<b>Option C: (Council preferred option)</b> Higher operational funding (\$Xm per year) plus extra 2.4m in year 1. Higher capital funding (\$Xb over ten years) including water meters funding from year 4.
	None of these options
	Don't know

### Question 2 – Changes to our waste collection and funding

SUMMARY BLURB

Which of these options do you prefer?

**Rubbish and organics**

	Option A: Weekly 60L rubbish bags and no organics collection
	Option B: Fortnightly 60L rubbish bags and weekly 23L food only bin
	Option C: Fortnightly 60L rubbish bags and weekly 80L food and garden wheelie bin
	Option D: Weekly 80L rubbish wheelie bin and no organics collection.
	Option E: Fortnightly 120L rubbish wheelie bin and weekly 23L food only bin

	Option F: (Council preferred option) – Fortnightly 120L rubbish wheelie bin and Weekly 80L food and garden wheelie bin
	None of these options
	Don't know

**Recycling and glass**

	Option A: Fortnightly 140L recycling wheelie bin and Fortnightly 45L glass crate
	Option B: Fortnightly 140L recycling wheelie bin and Fortnightly 45L glass crate
	Option C: Fortnightly 240L recycling wheelie bin and four-weekly 80L glass wheelie bin
	Option D: Fortnightly 240L recycling wheelie bin and four-weekly 80L glass wheelie bin
	None of these options
	Don't know

**Question 3 – Setting up a Perpetual Investment Fund and selling airport shares**

SUMMARY BLURB

**Which of these options do you prefer?**

	<b>Option A:</b> (Council preferred option)- Sell all airport shares and reinvest into a newly established perpetual investment fund
	<b>Option B:</b> Sell some airport shares and reinvest into a newly established perpetual investment fund
	<b>Option C: Retain current airport shares, do not establish a perpetual investment fund</b>
	None of these options
	Don't know

**Question 4: Comments on Key Proposals**

Do you have any comments you would like to provide around why you selected your preferred option to any of these decisions, or why you don't support any of the options we proposed? If yes please indicate which option you would like to provide further feedback on:

	1) Increasing spending on the three waters network to fix the pipes
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	2) Changes to our waste collection and funding a) Rubbish and organics b) Recycling and glass
	3) Setting up a Perpetual Investment Fund and selling airport shares

**Comment:**

**Other proposed changes**

The next questions relate to other levels of service changes we have made in response to the financial challenges facing the Council's planning and budget.

**Question 5 – Parking fee changes**

SUMMARY BLURB

Do you support the proposed changes included in the budget? There will be further consultation on these fees changes through our Traffic Resolutions Process in XX (July??).

	Strongly support	Somewhat support	Neutral	Somewhat oppose	Strongly oppose	Don't know
Introduction of suburban parking charges at \$X per hour from Xam to Xpm						
Introduction of motorcycle parking charges at \$X per hour from Xam to Xpm						

**Question 6 – Khandallah Pool**

SUMMARY BLURB

Do you support the proposed closure of Khandallah Pool as included in the budget? Support for this project is for the closure of the pool and the landscaping of the site as a new entrance for Khandallah Park and community space at a cost of \$Xm. The other option for this area is to rebuild the pool as outlined on page X. This would be higher and smaller than the current pool and cost \$Xm.

	Strongly support closure	Somewhat support closure	Neutral	Somewhat support rebuild	Strongly support rebuild	Don't know

Khandallah Pool						
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**Question 7 – Wadestown Community Centre**

**SUMMARY BLURB**

Do you support the proposed sale of Wadestown Community Centre as included in the budget? Support for this project is for sale of the facility at a cost saving of \$Xm over the ten years of the plan. The other option for this area is to retain the facility and complete the deferred maintenance at a cost of \$Xm over the plan.

	Strongly support sale	Somewhat support sale	Neutral	Somewhat support retaining	Strongly support retaining	Don't know
Wadestown Community Centre						

**Question 8 – Other proposals**

How much do you support or oppose the following proposals being included in the 2024-34 Long Term Plan? These are detailed from pages X to X of this document.

	Strongly support	Somewhat support	Neutral	Somewhat oppose	Strongly oppose	Don't know
Golden Mile upgrade project – progress with Courtney Place and associated water renewals in Courtenay Place, then Lambton Quay, Manners and Willis Street works						
Thorndon Quay and Hutt road project – continue with Aotea Quay roundabout and Thorndon Quay portions of the project, do not progress with Hutt Road portion						
City Streets – progress highest priority projects						
Bike Network – continue full scope but at a reduced cost through minimised long-term street transformations and building on transitional approach						
Annual fireworks – Discontinue funding annual fireworks event (note: this is separate to New Years eve event which will continue to include a fireworks display)						

	Strongly support	Somewhat support	Neutral	Somewhat oppose	Strongly oppose	Don't know
Arapaki Service Centre and Temporary Library – Bring forward planned closure by 18 months, move in person support services to local libraries						
Skate Park upgrades – remove planned upgrades of Ian Galloway Park and Waitangi Park skate parks – existing facilities continue to be provided and maintained.						

**Question 9: Comments on Key Proposals**

Do you have any comments you would like to provide around why you selected your preferred option to any of these decisions, or why you don't support any of the options we proposed? If yes please indicate which option/s you would like to provide further feedback on:

	Suburban centre parking
	Motorcycle parking
	Khandallah Pool
	Wadestown Community Centre
	Golden Mile upgrade project
	Thorndon Quay and Hutt road project
	City Streets
	Bike Network
	Annual fireworks
	Arapaki Service Centre and Library
	Skate Park upgrades
	None of these

**Comment:**

## Proposed budget

### Question 10: Support for Long-term Plan

Based on what you know of it, how much do you support or oppose Wellington City's proposed 10-year budget?

**Do you support the proposed 10-year budget?**

<input type="checkbox"/>	I strongly support the proposed budget
<input type="checkbox"/>	I somewhat support the proposed budget
<input type="checkbox"/>	Neutral
<input type="checkbox"/>	I somewhat oppose the proposed budget
<input type="checkbox"/>	I strongly oppose the proposed budget
<input type="checkbox"/>	Don't know

**If you stated above that you are neutral or do not support the proposed budget. Do you support increasing or decreasing spend?**

<input type="checkbox"/>	I support increasing spend in the current budget
<input type="checkbox"/>	I support decreasing spend in the current budget
<input type="checkbox"/>	I support keeping the budget the same but with some changes
<input type="checkbox"/>	Don't know

**Comment:**

## Other feedback

### Question 11: Supporting information

The Long Term Plan includes several supporting Strategies and Policies and other underlying information such as Activity Group Statements and Reports. The full list of them is shown below.

Please indicate if you would like to provide any specific feedback on any of these documents. Or if you would like to provide any general additional feedback

- List of documents

<input type="checkbox"/>	I would like to provide further general feedback
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	I have no further feedback to provide
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**Comment:**

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State the document includes supporting Strategies and Policies and the other underlying information such as Activity Group Statements and Reports (list)

- **Do you have any comments you would like to provide the underlying information or any other general feedback on our 10-year plan and budget?**

## **LTP Formal Consultation (April/May 2024) Communications and Engagement Overview**

### **About**

This document summarises the planned communications and engagement activity for the final phase of engagement related to the 2024-34 Long-term Plan (LTP).

This phase is the formal consultation phase. Council must use the Special Consultative Procedure for adopting or amending a Long-term Plan. The Special Consultative Procedure requires the Council to prepare a statement of proposal and make this publicly available. It must allow feedback of at least one month. Council must ensure people are given an opportunity to present their views to Council through spoken interaction (or using sign language).

Consultation will be from 12 April to 12 May, with oral hearings scheduled for 9, 14, 15, 16 and 20 May.

### **Objectives**

The primary objective of this phase is to encourage and support people to make informed submissions via the correct process. This includes building awareness of the LTP process, key dates and how to participate; providing clear, accessible information to build understanding of the proposals; and encouraging submissions – whether people fill out the submission form online, in hardcopy (available at libraries), or contribute to a submission via the community groups, organisations or associations they are connected to.

### **Considerations**

Key considerations include:

- **Building on previous phases of LTP engagement.** Since the public launch of the LTP process in April last year, approx. 3,424 people have contributed feedback so far – see “Summary of LTP engagement so far” below. Around 2,556 people in total contributed feedback to the 2021-31 LTP (557 during early engagement, plus 1,999 formal submissions in the consultation phase). This phase needs to acknowledge and build on the extensive engagement so far.
- **Employee, Councillor and participant safety.** While we’re confident that the majority of Wellingtonians want to engage constructively with us, we are seeing an increase in the level of negative and, occasionally, abusive commentary and behaviour directed at the Council. This aligns with broader trends and reports of what other Councils are experiencing. Ongoing frustration with the Council (for example, about water leaks) and contentious proposals about things people care deeply about (such as community facilities) make the LTP process a target for this. Particularly with events, we need to be highly cognisant of the situations we are putting representatives into, and the environment we’re creating for participants.

- **Breadth, complexity and profile of the proposals, and varying community priorities.** This consultation covers a huge range of proposals. Some are high profile and contentious, and already being publicly debated, making the provision of clear, accurate information an important challenge. Further, the three issues designated as significant – water, waste and establishing a Perpetual Investment Fund – might not always reflect what is most important to communities. Where possible, it’s advisable to retain a degree of flexibility and responsiveness in terms of our engagement and communications approach.
- **Accessibility and equity.** Council engagement processes, particularly formal consultation under the Special Consultative Procedure as outlined by legislation, are easier for some groups to navigate than others. Additional effort to target underrepresented groups is required.

## Approach

Our approach includes:

- Extensive promotion across our channels, supplemented by a paid advertising campaign.
- Utilising digital channels and online engagement opportunities where possible, due to benefits in reach, flexibility, accessibility, efficiency and safety.
- Providing targeted and meaningful engagement opportunities, primarily in partnership with community organisations, with a focus on ensuring a safe and constructive environment.
- Using Participatory Budgeting (PB) as a tool for secondary information gathering and educational purposes during engagements. PB aims to increase transparency, accountability, and public participation in the decision-making process of the budget and is a helpful tool to visualise budgetary trade-offs.
- Developing clear information / messaging and encouraging its consistent use across the organisation, and resources that can be used flexibly depending on audience priorities. High-level info will be translated into frequently used languages and accessible formats.
- Tying this phase back to previous engagement phases – reflecting what we’ve been told so far and how previous community feedback has been incorporated into the consultation.

## Key roles

Who	Role
<b>Mayor</b>	<ul style="list-style-type: none"> <li>• Primary spokesperson – outline vision and direction.</li> <li>• Build awareness of consultation, share key info, encourage submissions.</li> <li>• Attend key events.</li> </ul>
<b>Councillors</b>	<ul style="list-style-type: none"> <li>• Build awareness of consultation, share key info, encourage submissions.</li> <li>• Attend public events to listen to questions and feedback (at the Councillor’s discretion, though if events are of particular relevance – e.g. for Ward Councillors, Committee Chairs – specific invites will be provided).</li> </ul>
<b>Chief Executive</b>	<ul style="list-style-type: none"> <li>• Spokesperson on LTP process and environmental context.</li> <li>• Attend key events.</li> </ul>
<b>Senior Subject Matter Experts</b>	<ul style="list-style-type: none"> <li>• A group of senior (Tier 2 and 3) Council staff have been identified as Subject Matter Experts on key consultation topics.</li> </ul>

	<ul style="list-style-type: none"> <li>Attend key events, provide information, answer questions.</li> </ul>
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*Resources:* An information pack containing key messages and consultation materials will be provided. Talking points, event briefings, and more detailed messaging / Q&As will be provided where relevant.

**Key messages**

- We’re creating Wellington City’s next ten-year plan and budget.
- We can continue to invest in making Wellington thrive but need to balance the pace of our investment with what we can afford.
- As a community, we need to make some tough decisions about what to prioritise.
- Formal consultation on the 2024-34 Long-term Plan will open on 12 April and close on 12 May.
- Providing feedback is an important way to have your say on the future of our city.
- To find out more or make a submission, visit [wcc.nz/ltp-2024-34](http://wcc.nz/ltp-2024-34).

**Activity**

During the consultation phase (12 April – 12 May) extensive engagement and communications activity is planned to inform Wellingtonians about the LTP consultation and encourage them to have their say.

LTP engagement will include targeted activity to reach identified stakeholders including Community Boards, mana whenua, Advisory Groups, Wellington Residents’ Association Network, Business Improvement Districts, Hapori Māori, specific community groups – Pacific peoples, young people, diverse ethnic groups, disabled community, rainbow community, community centres, community organisations (to reach specific community groups), Citizens’ Assembly and their networks. Again, a key focus will be ensuring a safe and constructive environment for participants and Council representatives.

Activity	About
<b>General</b>	
<b>Let’s Talk web hub</b>	Our Let’s Talk site ( <a href="http://wcc.nz/ltp-2024-34">wcc.nz/ltp-2024-34</a> ) is a one-stop-shop for Long-term Plan engagement and information, and the online submissions process will be housed on this platform. The Participatory Budgeting tool will also be available on our page for the public to use.
<b>Promotional campaign</b>	A multi-channel campaign to promote key high-level information about the consultation (what it is, dates, how to submit). This will include paid advertising, web stories, media releases, social media, e-newsletters, and posters and digital screens in our venues. The primary call to action will be to visit the Let’s Talk web hub to find out more or make a submission. Secondary layers can promote the webinar, hardcopy submission mechanisms, etc.
<b>Hardcopies at libraries</b>	Consultation materials and submission forms will be available at libraries and community service centres from when the consultation opens.
<b>Email campaign</b>	A series of emails (consultation opening, webinar, key topics, consultation closing) will be sent to stakeholder email lists collected via previous engagement activity.
<b>Digital ‘key topics’ series</b>	During the consultation, we’ll feature 1-2 ‘key topics’ per week on our social media channels, and <i>Our Wellington</i> e-newsletter, highlighting key proposals in simple language. Planned topics are: three waters investment, waste collection proposals, establishing a Perpetual Investment fund by selling airport shares and ground leases,

	suburban and motorcycle parking fees, community facilities and services, transport infrastructure. There is some flexibility to adjust topics as the consultation progresses.
<b>'Long-term Plan Live' webinar</b>	This will bring together Council Subject Matter Experts (SMEs) to explain key proposals and provide an opportunity for Wellingtonians who are interested in learning about the LTP to ask questions. The event will also include Hapori Māori-tailored messaging. The webinar will be recorded at the Vidcom studio, which we have used in the past and provides a high-quality product in a controlled environment. Slido can be used to poll the audience throughout the event and increase interactivity. The event will be recorded and shared publicly for those who cannot attend in person, to increase its reach. The recording will be time-stamped and segmented into the individual consultation topics and uploaded to our Let's Talk LTP hub. This event is scheduled to take place during the middle of the consultation period, which will allow us to respond to frequently asked questions that arise during the first two weeks of consultation.
<b>Targeted</b>	
<b>Tailored approach for community groups</b>	To reach diverse groups of Wellingtonians, we will provide community partners with a pack of resources to share with their groups, explaining the LTP and how to make a submission (utilising our internal Connected Communities and Mataaho Aronui teams, as well as other Engagement team networks). Groups can then use these to gather perspectives of their community. This approach enables us to streamline engagement with the community and avoid fatigue, harness the power of existing networks, and reach those who may be passionate about certain areas of the LTP. We will be on hand to lend guidance when needed.
<b>Bespoke in-person or online hui</b>	These will be held with our Advisory Groups, Business Improvement Districts, Community Boards, and the Wellington Residents' Association Network. We will use a Participatory Budgeting tool to gather secondary feedback on the proposed budget and as an educational tool during the hui. This will enable us to disseminate information to wide and diverse groups of stakeholders in a streamlined manner. If the need arises based on high public interest, we have some capacity to add one or two additional online meetings to address specific proposals and provide opportunities for impacted communities to ask questions and receive information from Council SMEs and Councillors. These may include specific meetings for the Khandallah and Wadestown communities.
<b>Mana whenua/hapori Māori</b>	Kaimahi from Mataaho Aronui are working with the Engagement team on plans for hapori Māori and mana whenua engagement. Proposed hapori Māori engagements are an in-person hui in Strathmore, the Long-Term Plan webinar and communications channels (incorporating targeted messages for hapori Māori). The in-person engagement will be a follow-up session with the hapori group we engaged with during phase one of LTP Engagement, with the emphasis on strengthening Council's relationship with hapori Māori. Mana whenua engagement will take place via the iwi Tākaia Here Forum, and Pouiwi.
<b>Citizens' Assembly hui</b>	We will invite the Citizens' Assembly to participate in a facilitated Participatory Budgeting session. We have used a PB process in the past for the Annual Plan, using the Balancing Act software on the Let's Talk website. This was well received with feedback emphasising greater understanding of complex Council budgets.
<b>Youth Engagement</b>	The engagement approach for young people (12-24) will complement the general approach. Tertiary and secondary education providers, youth development and youth

	led organisations will be engaged with to best determine approaches that reach a wide range of diverse youth. Youth Council will be engaged, informed and invited to do wider community outreach.
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### Summary of activity so far

The below table outlines engagement activity since the LTP process was launched in April 2023. Activity was promoted via media release, website news story, social media, e-newsletters, stakeholder emails, and digital screens and posters in our facilities. For key elements, video and a small amount of paid advertising was also used.

Activity	Participation	Findings
<b>April/May 2023: Outcomes and priorities</b>		
<ul style="list-style-type: none"> <li>Presented on the LTP to interested groups including the Wellington Residents Association Network, and our two Community Boards.</li> <li>Workshops (presentation and card sorting activity boards): <ul style="list-style-type: none"> <li>6 general public workshops across the city: Churton Park, Karori, Newtown, Strathmore, Khandallah and in the central city.</li> <li>7 targeted sessions: St Catherine’s College, Gen Vote, Massey University, Victoria University, Hapori Māori, CBD businesses, and WCC Advisory Groups.</li> </ul> </li> <li>Online survey (simple 5-minute survey ranking priorities).</li> <li>Postcards: Alongside the card activity, and through youth engagement, participants could write/draw on postcards asking “What will make Wellington a great place to live, work, study and play?”</li> </ul>	<ul style="list-style-type: none"> <li>Total workshop attendance: approx. 350 people, with 62 boards completed</li> <li>Online survey: 2722 responses over five weeks.</li> <li>Postcards: approx. 150 postcard letters were completed.</li> </ul>	<p>Detailed results here: <a href="#">2024-34 Long-term Plan Engagement Phase 1 Report</a></p>
<b>September/October 2023 – Citizens’ Assembly</b>		
<ul style="list-style-type: none"> <li>The Assembly was asked to give a collective view about which Council services should be prioritised over the next 10 years, balancing community benefits with the cost of delivering these services.</li> <li>The Assembly wrote a report containing their advice to Council.</li> </ul>	<ul style="list-style-type: none"> <li>800 expressions of interest (invitations sent to 10,000 addresses)</li> <li>42 participants selected</li> </ul>	<p><a href="#">Citizens’ Assembly Advice to Council</a></p>
<b>September/October 2023 – Rating Policy Review Consultation</b>		
<ul style="list-style-type: none"> <li>18 September – 18 October Consultation on the review of rating policies, which will look at how the overall rates bill is divided up—that is, the proportion each property owner pays.</li> <li>Oral submissions heard at a hearing on 1 November.</li> </ul>	<ul style="list-style-type: none"> <li>160 submissions</li> </ul>	<p>Engagement summary in <a href="#">7 December LTPFPC papers</a></p>

## Projected Statement of Revenue and Expense - Wellington City Council

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>REVENUE</b>											
Revenue from rates	481,110	562,490	625,867	711,545	757,111	804,897	846,991	895,408	934,246	974,975	1,018,556
Revenue from development contributions	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Revenue from grants, subsidies and reimbursements	184,634	207,647	171,327	118,091	68,840	65,374	52,702	52,150	53,834	54,820	52,779
Revenue from operating activities	174,811	193,722	204,892	208,123	214,538	221,212	225,944	231,445	236,704	241,292	245,724
Investments	22,427	21,867	26,493	31,100	34,514	37,399	41,077	42,448	42,811	43,266	44,124
Fair value movement on investment property revaluation	13,883	8,175	6,424	7,007	7,299	7,299	7,007	7,007	7,007	7,007	7,007
Other revenue	2,063	2,105	1,599	1,207	1,209	1,211	1,213	3,519	1,661	1,218	1,219
Finance Revenue	13	100	100	100	65	65	100	100	100	65	65
<b>TOTAL REVENUE</b>	<b>882,441</b>	<b>999,606</b>	<b>1,040,202</b>	<b>1,080,673</b>	<b>1,087,076</b>	<b>1,140,957</b>	<b>1,178,534</b>	<b>1,235,577</b>	<b>1,279,863</b>	<b>1,326,143</b>	<b>1,372,974</b>
<b>EXPENSE</b>											
Finance expense	60,972	72,442	74,927	84,941	93,017	100,452	107,883	115,562	126,646	128,355	130,489
Expenditure on operating activities	560,161	606,191	634,070	664,652	683,287	691,496	709,270	728,648	750,570	770,624	790,367
Depreciation and amortisation	196,468	222,636	246,396	274,748	308,697	339,295	365,261	394,998	412,227	434,427	466,041
<b>TOTAL EXPENSE</b>	<b>817,601</b>	<b>901,269</b>	<b>955,393</b>	<b>1,024,341</b>	<b>1,085,001</b>	<b>1,131,243</b>	<b>1,182,414</b>	<b>1,239,208</b>	<b>1,289,443</b>	<b>1,333,406</b>	<b>1,386,897</b>
<b>NET SURPLUS FOR THE YEAR</b>	<b>64,840</b>	<b>98,337</b>	<b>84,809</b>	<b>56,332</b>	<b>2,075</b>	<b>9,714</b>	<b>(3,880)</b>	<b>(3,631)</b>	<b>(9,580)</b>	<b>(7,263)</b>	<b>(13,923)</b>
<b>OTHER COMPREHENSIVE INCOME</b>											
Fair value movement - property, plant and equipment (net)	-	198,356	197,176	713,215	242,019	268,795	835,662	280,050	330,156	1,000,251	300,459
Share of equity accounted surplus from associates	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>198,356</b>	<b>197,176</b>	<b>713,215</b>	<b>242,019</b>	<b>268,795</b>	<b>835,662</b>	<b>280,050</b>	<b>330,156</b>	<b>1,000,251</b>	<b>300,459</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>64,840</b>	<b>296,693</b>	<b>281,985</b>	<b>769,547</b>	<b>244,094</b>	<b>278,509</b>	<b>831,782</b>	<b>276,419</b>	<b>320,576</b>	<b>992,988</b>	<b>286,536</b>

## Projected Balance Sheet - Wellington City Council

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and cash equivalents	40,330	5,187	4,089	4,033	5,642	4,706	4,857	6,462	6,259	3,396	4,364
Other financial assets	205,716	267,500	256,500	291,000	270,000	263,000	241,000	121,000	156,000	126,000	76,000
Receivables and recoverables	87,324	98,544	105,406	110,293	115,120	120,175	124,431	129,245	133,791	138,270	142,839
Inventories	944	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013
Prepayments	22,426	19,841	20,934	22,225	22,757	22,970	23,549	24,234	24,909	25,570	26,211
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>356,740</b>	<b>392,085</b>	<b>387,942</b>	<b>428,564</b>	<b>414,532</b>	<b>411,864</b>	<b>394,850</b>	<b>281,954</b>	<b>321,972</b>	<b>294,249</b>	<b>250,427</b>
<b>Non Current Assets</b>											
Other financial assets	87,488	106,818	106,818	106,818	106,818	106,818	106,818	106,818	106,818	106,818	106,818
Intangible Assets	50,832	33,434	34,306	33,419	33,470	33,730	35,907	38,172	40,642	42,705	44,430
Investment Properties	308,427	310,665	317,089	324,096	331,395	338,694	345,701	352,708	359,715	366,722	373,729
Property, plant and equipment	11,029,147	11,849,027	12,315,699	13,214,833	13,585,656	13,947,664	14,861,191	15,202,223	15,615,135	16,548,793	16,807,166
Investment in subsidiaries	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998	5,998
Investment in associates	19,474	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384
<b>Total Non Current Assets</b>	<b>11,501,366</b>	<b>12,325,326</b>	<b>12,799,294</b>	<b>13,704,548</b>	<b>14,082,721</b>	<b>14,452,288</b>	<b>15,374,999</b>	<b>15,725,303</b>	<b>16,147,692</b>	<b>17,090,420</b>	<b>17,357,525</b>
<b>Total Assets</b>	<b>11,858,106</b>	<b>12,717,411</b>	<b>13,187,236</b>	<b>14,133,112</b>	<b>14,497,253</b>	<b>14,864,152</b>	<b>15,769,849</b>	<b>16,007,257</b>	<b>16,469,664</b>	<b>17,384,669</b>	<b>17,607,952</b>
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Derivative financial liabilities	260	-	-	-	-	-	-	-	-	-	-
Trade and other payables	112,631	158,021	147,003	135,325	129,802	128,617	129,762	132,727	138,304	126,041	132,415
Revenue in advance	20,855	22,176	23,455	23,825	24,559	25,323	25,865	26,495	27,097	27,622	28,129
Borrowings	204,816	267,500	256,500	291,000	270,000	263,000	241,000	121,000	156,000	126,000	76,000
Provisions for other liabilities	3,756	4,067	4,155	4,169	3,906	4,629	4,545	4,910	5,417	5,247	5,180
Employee benefit liabilities and provisions	13,364	12,587	12,819	12,984	13,345	13,661	13,981	14,286	14,635	14,991	15,357
<b>Total Current Liabilities</b>	<b>355,682</b>	<b>464,351</b>	<b>443,932</b>	<b>467,303</b>	<b>441,612</b>	<b>435,230</b>	<b>415,153</b>	<b>299,418</b>	<b>341,453</b>	<b>299,901</b>	<b>257,081</b>
<b>Non Current Liabilities</b>											
Derivative financial liabilities	523	-	-	-	-	-	-	-	-	-	-
Trade and other payables	-	231	231	231	231	231	231	231	231	231	231
Borrowings	1,591,343	1,836,377	2,047,141	2,202,306	2,349,655	2,446,447	2,542,058	2,620,451	2,722,102	2,687,038	2,667,588
Provisions for other liabilities	27,802	26,128	23,604	21,383	19,742	17,695	16,049	14,355	12,471	11,074	10,061
Employee benefit liabilities and provisions	1,185	1,051	1,070	1,084	1,114	1,141	1,168	1,193	1,222	1,252	1,282
<b>Total Non Current Liabilities</b>	<b>1,620,853</b>	<b>1,863,787</b>	<b>2,072,046</b>	<b>2,225,004</b>	<b>2,370,742</b>	<b>2,465,514</b>	<b>2,559,506</b>	<b>2,636,230</b>	<b>2,736,026</b>	<b>2,699,595</b>	<b>2,679,162</b>
<b>Total Liabilities</b>	<b>1,976,535</b>	<b>2,328,138</b>	<b>2,515,978</b>	<b>2,692,307</b>	<b>2,812,354</b>	<b>2,900,744</b>	<b>2,974,659</b>	<b>2,935,648</b>	<b>3,077,479</b>	<b>2,999,496</b>	<b>2,936,243</b>
<b>Net Assets</b>	<b>9,881,571</b>	<b>10,389,273</b>	<b>10,671,258</b>	<b>11,440,805</b>	<b>11,684,899</b>	<b>11,963,408</b>	<b>12,795,190</b>	<b>13,071,609</b>	<b>13,392,185</b>	<b>14,385,173</b>	<b>14,671,709</b>
<b>Equity</b>											
Accumulated funds and retained earnings	5,159,690	5,262,018	5,346,823	5,403,153	5,405,225	5,414,937	5,411,051	5,407,415	5,397,830	5,390,565	5,376,636
Revaluation reserves	4,637,773	5,028,033	5,225,209	5,938,424	6,180,443	6,449,238	7,284,900	7,564,950	7,895,106	8,895,357	9,195,816
Hedging Reserve	57,624	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Fair value through other comprehensive income reserve	6,854	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889
Restricted funds	19,630	19,153	19,157	19,159	19,162	19,164	19,170	19,175	19,180	19,182	19,188
<b>Total Equity</b>	<b>9,881,571</b>	<b>10,389,273</b>	<b>10,671,258</b>	<b>11,440,805</b>	<b>11,684,899</b>	<b>11,963,408</b>	<b>12,795,190</b>	<b>13,071,609</b>	<b>13,392,185</b>	<b>14,385,173</b>	<b>14,671,709</b>



## Projected Equity Statement - Wellington City Council

	2023/24 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Equity - opening balances</b>											
Accumulated funds and retained earnings	5,094,854	5,163,685	5,262,018	5,346,823	5,403,153	5,405,225	5,414,937	5,411,051	5,407,415	5,397,830	5,390,565
Revaluation reserves	4,637,773	4,829,677	5,028,033	5,225,209	5,938,424	6,180,443	6,449,238	7,284,900	7,564,950	7,895,106	8,895,357
Hedging reserve	57,624	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Fair value through other comprehensive revenue and expense reserve	6,854	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889
Restricted funds	19,626	19,149	19,153	19,157	19,159	19,162	19,164	19,170	19,175	19,180	19,182
<b>Total Equity - opening balances</b>	<b>9,816,731</b>	<b>10,092,580</b>	<b>10,389,273</b>	<b>10,671,258</b>	<b>11,440,805</b>	<b>11,684,899</b>	<b>11,963,408</b>	<b>12,795,190</b>	<b>13,071,609</b>	<b>13,392,185</b>	<b>14,385,173</b>
<b>Changes in Equity</b>											
<i>Retained earnings</i>											
Net surplus for the year	64,840	98,337	84,809	56,332	2,075	9,714	(3,880)	(3,631)	(9,580)	(7,263)	(13,923)
Transfer to restricted funds	(19)	(3,670)	(3,569)	(3,611)	(3,650)	(3,682)	(3,716)	(3,740)	(3,762)	(3,780)	(3,802)
Transfer from restricted funds	15	3,666	3,565	3,609	3,647	3,680	3,710	3,735	3,757	3,778	3,796
Transfer from revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
<i>Revaluation reserves</i>											
Fair value movement - property, plant and equipment - net	-	198,356	197,176	713,215	242,019	268,795	835,662	280,050	330,156	1,000,251	300,459
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
<i>Hedging reserve</i>											
Movement in hedging reserve	-	-	-	-	-	-	-	-	-	-	-
<i>Fair value through other comprehensive revenue and expense reserve</i>											
Movement in fair value	-	-	-	-	-	-	-	-	-	-	-
<i>Restricted Funds</i>											
Transfer to retained earnings	19	(3,666)	(3,565)	(3,609)	(3,647)	(3,680)	(3,710)	(3,735)	(3,757)	(3,778)	(3,796)
Transfer from retained earnings	(15)	3,670	3,569	3,611	3,650	3,682	3,716	3,740	3,762	3,780	3,802
<b>Total comprehensive revenue and expense</b>	<b>64,840</b>	<b>296,693</b>	<b>281,985</b>	<b>769,547</b>	<b>244,094</b>	<b>278,509</b>	<b>831,782</b>	<b>276,419</b>	<b>320,576</b>	<b>992,988</b>	<b>286,536</b>
<b>Net Equity - Closing Balances</b>											
Accumulated funds and retained earnings	5,159,690	5,262,018	5,346,823	5,403,153	5,405,225	5,414,937	5,411,051	5,407,415	5,397,830	5,390,565	5,376,636
Revaluation reserves	4,637,773	5,028,033	5,225,209	5,938,424	6,180,443	6,449,238	7,284,900	7,564,950	7,895,106	8,895,357	9,195,816
Hedging reserve	57,624	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Fair value through other comprehensive revenue and expense reserve	6,854	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889	6,889
Restricted funds	19,630	19,153	19,157	19,159	19,162	19,164	19,170	19,175	19,180	19,182	19,188
<b>Total Equity - closing balances</b>	<b>9,881,571</b>	<b>10,389,273</b>	<b>10,671,258</b>	<b>11,440,805</b>	<b>11,684,899</b>	<b>11,963,408</b>	<b>12,795,190</b>	<b>13,071,609</b>	<b>13,392,185</b>	<b>14,385,173</b>	<b>14,671,709</b>

## Projected Statement of Cash Flows - Wellington City Council

	2020/21 AP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Cash flows from operating activities</b>											
Receipts from rates - Council	480,105	560,112	622,986	707,810	754,570	802,221	844,422	892,555	931,575	972,131	1,015,567
Receipts from rates - Greater Wellington Regional Council	101,033	117,624	130,827	148,639	158,460	168,466	177,328	187,437	195,631	204,148	213,269
Receipts from activities and other income	171,568	191,924	204,644	209,798	215,445	222,058	227,262	232,579	237,898	242,649	247,120
Receipts from grants and subsidies - operating	19,599	20,813	21,917	18,126	18,649	19,084	19,464	19,818	20,148	20,433	20,688
Receipts from grants and subsidies - capital	43,168	191,240	153,305	103,466	53,691	49,790	36,737	38,136	37,630	37,887	35,590
Receipts from investment property lease rentals	11,527	11,467	11,793	12,100	12,414	12,699	12,977	13,248	13,511	13,766	14,024
Cash paid to suppliers and employees	(463,245)	(502,467)	(583,103)	(613,916)	(626,782)	(638,443)	(656,595)	(673,158)	(692,017)	(729,666)	(729,908)
Rates paid to Greater Wellington Regional Council	(101,033)	(117,624)	(130,827)	(148,639)	(158,460)	(168,466)	(177,328)	(187,437)	(195,631)	(204,148)	(213,269)
Grants paid	(59,321)	(58,556)	(65,264)	(65,733)	(64,073)	(55,432)	(53,492)	(54,210)	(54,650)	(55,063)	(55,410)
Net GST (paid) / received	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>203,401</b>	<b>414,533</b>	<b>366,278</b>	<b>371,651</b>	<b>363,914</b>	<b>411,977</b>	<b>430,775</b>	<b>468,968</b>	<b>494,095</b>	<b>502,137</b>	<b>547,671</b>
<b>Cash flows from investing activities</b>											
Dividends received	10,900	10,400	14,700	19,000	22,100	24,700	28,100	29,200	29,300	29,500	30,100
Interest received	13	100	100	100	65	65	100	100	100	65	65
Loan repayments	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investment properties	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	9,834	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Proceeds from sale of intangibles	-	-	-	-	-	-	-	-	-	-	-
Increase / (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of investment properties	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangibles	(3,062)	(8,803)	(8,545)	(4,698)	(4,517)	(4,624)	(4,732)	(4,841)	(5,105)	(5,076)	(5,190)
Purchase of property, plant and equipment	(454,794)	(903,942)	(511,468)	(458,333)	(436,285)	(431,394)	(443,820)	(456,653)	(495,598)	(368,070)	(423,739)
<b>Net cash flows from investing activities</b>	<b>(437,109)</b>	<b>(900,245)</b>	<b>(503,213)</b>	<b>(441,931)</b>	<b>(416,637)</b>	<b>(409,253)</b>	<b>(418,352)</b>	<b>(430,194)</b>	<b>(469,303)</b>	<b>(341,581)</b>	<b>(396,764)</b>
<b>Cash flows from financing activities</b>											
New borrowings	521,570	725,590	478,264	411,665	438,349	366,792	358,611	319,393	222,651	120,936	106,550
Repayment of borrowings	(204,816)	(204,816)	(267,500)	(256,500)	(291,000)	(270,000)	(263,000)	(241,000)	(121,000)	(156,000)	(126,000)
Interest paid on borrowings	(60,972)	(72,442)	(74,927)	(84,941)	(93,017)	(100,452)	(107,883)	(115,562)	(126,646)	(128,355)	(130,489)
<b>Net cash flows from investing activities</b>	<b>255,782</b>	<b>448,332</b>	<b>135,837</b>	<b>70,224</b>	<b>54,332</b>	<b>(3,660)</b>	<b>(12,272)</b>	<b>(37,169)</b>	<b>(24,995)</b>	<b>(163,419)</b>	<b>(149,939)</b>
Net increase/(decrease) in cash and cash equivalents	22,074	(37,380)	(1,098)	(56)	1,609	(936)	151	1,605	(203)	(2,863)	968
Cash and cash equivalents at beginning of year	18,257	42,567	5,187	4,089	4,033	5,642	4,706	4,857	6,462	6,259	3,396
<b>Cash and cash equivalents at end of year</b>	<b>40,331</b>	<b>5,187</b>	<b>4,089</b>	<b>4,033</b>	<b>5,642</b>	<b>4,706</b>	<b>4,857</b>	<b>6,462</b>	<b>6,259</b>	<b>3,396</b>	<b>4,364</b>

## Prospective statement of changes in restricted / reserve funds - Wellington City Council

	Opening balance	Deposits	Expenditure	Closing balance	
	2023/24			2033/34	
	\$000	\$000	\$000	\$000	Purpose
<b>Special reserves and funds</b>					
Reserve purchase and development fund	782	-	-	782	
City growth fund	3,591	20,070	(20,070)	3,591	
Insurance reserve	14,262	16,723	(16,723)	14,262	Allows the Council to meet the uninsured portion of insurance claims
<b>Total special reserves and funds</b>	<b>18,635</b>	<b>36,793</b>	<b>(36,793)</b>	<b>18,635</b>	
<b>Trusts and bequests</b>					
A Graham Trust	4	2	-	6	For the upkeep of a specific area of Karori Cemetery
A W Newton Bequest	388	165	(150)	403	For the benefit of art (Fine Arts Wellington), education (technical and other night schools) and athletics (rowing)
E A McMillan Estate	6	-	-	6	For the benefit of the public library
E Pengelly Bequest	20	5	-	25	For the purchase of children's books
F L Irvine Smith Memorial	10	2	-	12	For the purchase of books for the Khandallah Library
Greek NZ Memorial Association	5	2	-	7	For the maintenance and upgrade of the memorial
Kidsarus 2 Donation	5	2	-	7	For the purchase of children's books
Kirkaldie and Stains Donation	17	-	-	17	For the beautification of the BNZ site
QEII Memorial Book Fund	26	8	-	34	For the purchase of books on the Commonwealth
Schola Cantorum Trust	9	3	-	12	For the purchase of musical scores
Terawhiti Grant	10	-	-	10	To be used on library book purchases
Wellington Beautifying Society Bequest	14	-	-	14	To be used on library book purchases
<b>Total trusts and bequests</b>	<b>514</b>	<b>189</b>	<b>(150)</b>	<b>553</b>	
<b>Total restricted funds</b>	<b>19,149</b>	<b>36,982</b>	<b>(36,943)</b>	<b>19,188</b>	

# Summary of significant accounting policies

## Reporting entity

Wellington City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA 2002) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA 2002 and the Local Government (Rating) Act 2002.

The primary purpose of the Council is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity (PBE) for financial reporting purposes.

These prospective financial statements are for the Council as a separate legal entity and have been prepared for the period from 1 July 2024 to 30 June 2034. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Subsequent actual results may differ from these estimates and these variations may be material.

## Basis of preparation

### *Statement of compliance*

The prospective financial statements have been prepared in accordance with the requirements of the LGA 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements.

The prospective financial statements have been prepared to comply with Public Benefit Entity Accounting Standards (PBE Accounting Standards) for a Tier 1 entity.

The reporting period for these prospective financial statements is the 10-year period ending 30 June 2034. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated. The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

These prospective financial statements were adopted by the Council for issue on 27 June 2024, as part of the assumptions that form the Long-term Plan 2024-34. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Long-term Plan is a forecast and as such contains no actual operating results.

Consolidated prospective financial statements comprising the Council and its controlled entities, joint ventures and associates have not been prepared.

## **Measurement base**

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

## **Foreign currency balances and transactions**

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

## **Comparative information**

Comparative information from the 2023/24 Annual Plan adopted by the Council on 29 June 2023 has been provided as a comparator for these prospective financial statements. The closing balance in this comparative differs from the opening position used to prepare these prospective financial statements which is based on the most up-to-date forecast information.

## **Goods and services tax (GST)**

All items in the prospective financial statements are exclusive of GST, except for receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

## **Judgements and estimations**

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Long-term Plan.

The preparation of prospective financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the section on "Significant forecasting assumptions".

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

## **Revenue**

Revenue comprises rates, revenue from operating activities, investment revenue, fair value gains, finance revenue and other revenue and is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

### ***Revenue from exchange transactions***

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's-length transaction (primarily in the form of cash in exchange).

### ***Revenue from non-exchange transactions***

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from a non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received. An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### ***Approximately equal value***

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's-length commercial transaction between a willing buyer and willing seller. Some goods or services that the Council provides (for example, the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by the Council operate on a full user pays, cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

Most of the services that the Council provides for a fee are subsidised by rates and therefore do not constitute an approximately equal exchange. Accordingly, most of the Council's revenue is categorised as non-exchange.

Specific accounting policies for major categories of revenue are outlined below:

## **Rates**

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Rating Act 2002 and are therefore defined as non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the water rates are primarily charged on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

## **Revenue from operating activities**

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below-market prices or at fees and user charges subsidised by rates.

The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

- **Grants, subsidies and reimbursements**

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all attached conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (for example, Waka Kotahi NZ Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions relating to the eligible expenditure have been fulfilled.

- **Development contributions**

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide the service, development contributions are recognised as liabilities.

- **Rendering of services**

Revenue from rendering of services that are exchange transactions, is recognised by reference to the stage of completion of the transaction at the reporting date. Revenue from the rendering of services where the service provided is non-exchange, is recognised when the transaction occurs to the extent that a liability is not also recognised.

- **Fines and penalties**

Revenue from fines and penalties (e.g. traffic and parking infringements) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. The fair value of parking related fines is determined as the amounts due, less an allowance for expected credit losses (ECL).

- **Sale of goods**

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

### **Investment revenues**

- **Dividends**

Dividends from equity investments are classified as exchange revenue and are recognised when the Council's right to receive payment has been established.

- **Investment property lease rentals**

Lease rentals (net of any incentives given) are classified as exchange revenue and recognised on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

### **Fair value gains**

Fair value gains largely reflect the increase in the fair value of investment properties.

### **Other revenue**

- **Donated, subsidised or vested assets**

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

- **Gains**

Gains include additional earnings from the disposal of property, plant and equipment.

- **Donated services**

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (for example, beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these prospective financial statements.

### **Finance revenue**

- **Interest**

Interest revenue is recognised using the effective interest rate method. All interest revenue is recognised in the period in which it is earned.



## **Expenses**

Specific accounting policies for major categories of expenditure are outlined below:

### ***Operating activities***

#### **Grants and sponsorships**

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (for example, cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations that are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

#### **Cost allocation**

Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

#### **Research and Development**

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

#### ***Finance expense***

##### **Interest on borrowings**

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

##### **Re-discounting of interest**

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date).

#### ***Depreciation and amortisation***

##### **Depreciation**

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, investment properties and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life.

<b>Table X: Estimated useful lives of property, plant and equipment assets</b>	<b>Estimated useful life (years)</b>
<b>Asset Category</b>	
<b>Operational assets</b>	
Land	unlimited
Buildings:	
Structure	2 - 100
Roof	3 - 40
Interior	3 - 45
Services	2 - 40
Civic Precinct	5 - 66
Plant and equipment	5 - 100
Library collection	3 - 10
<b>Infrastructure assets</b>	
Land (including land under roads)	unlimited
Roading:	
Road pavement	10 - 46
Retaining / sea walls	5 - 198
Kerb and channel	5 - 36
Structures - other sea defences	100 - 250
Tunnels - structure and services	55 - 250
Bridges	5 - 104
Drainage, waste and water:	
Pipes	30 - 52
Reservoirs	30 - 140
Pump stations	48 - 91
Fittings	31 - 56
<b>Restricted assets (excluding buildings)</b>	unlimited

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill utilised.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its estimated useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised.

<b>Table X: Estimated useful lives of intangible assets</b>	<b>Estimated useful life (years)</b>
<b>Asset Category</b>	
Computer software	2 - 11

## Income tax

The Council, as a local authority, is only liable for income tax on the surplus or deficit for the year derived from any Council-controlled trading organisations and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

## Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash on hand, and short-term bank deposits of up to 3 months at acquisition.

Although cash and cash equivalents at balance date are subject to the expected credit loss requirements of PBE IPSAS 41 – Financial Instruments, no loss allowance is recognised because the estimated allowance is trivial.

## Financial instruments

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs unless they are financial assets designated as fair value through surplus or deficit, in which case transaction costs are recognised in the surplus or deficit. Subsequent measurement of financial instruments depends on the classification determined by cash flow characteristics and the Council's management model.

### **Financial Assets**

Financial assets are classified as either: amortised cost, fair value through surplus or deficit, or fair value through other comprehensive revenue and expense.

#### **(a) Amortised cost**

Financial assets classified at amortised cost comprises cash and cash equivalents, receivables, recoverables and loans and deposits.

- Receivables and recoverables have fixed or determinable payments. They arise when the Council provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable.
- Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than three months at acquisition.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method less any expected credit losses. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Receivables or recoverables due in less than 12 months are recognised at their nominal value.

### **(b) Financial assets at fair value through surplus or deficit**

Financial assets classified at fair value through surplus or deficit comprise LGFA borrower notes, which are subsequently revalued through surplus or deficit, as LGFA has the ability to repay the investment before the original maturity date.

### **(c) Financial assets at fair value through other comprehensive revenue and expense**

Financial assets classified at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within the surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

### **Financial Liabilities**

Financial liabilities include payables under exchange transactions, transfers, taxes and borrowings. Financial liabilities with a duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within the surplus or deficit. Financial liabilities with a duration of less than 12 months are recognised at their nominal value. On disposal any gains or losses are recognised within the surplus or deficit.

### **Derivatives**

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

### **Cash flow hedges**

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of "finance costs".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swaps match the terms of the fixed rate loan (ie. Notional amount, maturity, payment and reset dates). At inception of the hedge relationship the Council documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The documentation includes its risk management objective and strategy for undertaking its hedged transactions.

Derivatives in hedge relationships are designated based on a hedge ratio up to 1:1. The Council does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. To test the hedge effectiveness, the Council uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

### **Hedge ineffectiveness**

Hedge ineffectiveness in a hedge relationship can arise from:

- Differences in the timing of cash flows of the hedged items and hedging instruments.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

## **Receivables and recoverables**

### **Expected credit losses**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables. Lifetime ECL result from all possible default events over the expected life of a receivable. The Council uses a provision matrix based on historical credit loss information upon initial recognition of a receivable, using reasonable assumptions and any available customer information.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

- **Rates receivable**

The Council does not provide for ECL on rates receivable, except for abandoned properties where the debt is greater than 10 years past due and the likelihood of recovery is assessed to be remote. For all other rates receivables, Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances.

- **Other receivables**

In measuring ECL, all receivables have been grouped based on shared risk characteristics and the days overdue. The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior three years at balance date. A provision matrix is then established based on historical, current and forward-looking information specific to each class of debtors and the macroeconomic environment affecting the ability of customers to settle their debt.

## **Investment properties**

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within the surplus or deficit. Investment properties are not depreciated.

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the lease revenue over the remaining term of the lease and add the residual value of the land at lease expiry.

For sites subject to perpetually renewable leases, values have been assessed utilising the discounted cash flow methodology and arriving at a net present value of all future anticipated gross lease payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

Certain ground leases on the waterfront and within the central city have, for accounting purposes, been treated as sold assets due to the very long-term nature of the lease and peppercorn rentals.

At a future point in time, prior to the asset being returned to the Council ownership, the Council will begin to incrementally re-recognise the value of the asset. The amortisation of the estimated future value will reflect the prevalent economic situation and will be more relevant in terms of both the estimated value and materiality.

## Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification are included within the surplus or deficit.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

A non-current asset is classified as held for sale where:

- the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.
- a plan to sell the asset is in place and an active programme to locate a buyer has been initiated.
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- the sale is expected to occur within one year or beyond one year where a delay has occurred that is caused by events beyond the Council's control and there is sufficient evidence the Council remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

## Property, plant and equipment

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

**Operational assets** include land, buildings, landfill post-closure asset, Civic Precinct, library collection, plant and equipment.

**Restricted assets** include art and cultural assets, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** include the roading network, drainage, water and waste reticulation networks, service concession assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

**Heritage assets** are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council recognises these assets within these prospective financial statements to the extent their value can be reliably measured.

**Vested assets** are those assets where ownership and control are transferred to the Council from a third party (for example, infrastructure assets constructed by developers

and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

### **Recognition**

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

### **Measurement**

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (for example, vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight-line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

#### **(a) Library Collections**

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets, published by The Treasury Accounting Policy Team, November 2002.

#### **(b) Operational Land and Buildings**

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available, land and buildings are valued based on market evidence. Most of the Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings. For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost. Non-specialised properties that comprise the City Housing portfolio have been valued on a market-based approach with the associated land value being established through analysis of sales and market evidence.



### **(c) Restricted assets**

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by an independent registered valuer. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

### **(d) Infrastructure assets**

Infrastructure assets (the roading network, drainage, water and waste reticulation networks including service concession arrangement assets (wastewater treatment plants) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Infrastructure valuations are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50 percent to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

### **(e) Other assets**

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

## **Revaluations**

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within the surplus or deficit will be recognised firstly, within the surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

### ***Impairment***

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within the surplus or deficit unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within the surplus or deficit unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

### ***Disposal***

Gains and losses on disposals are determined by comparing the proceeds from sale with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### ***Work in progress***

Work in progress represents the cost of capital expenditure projects that are not yet capable for use in the manner intended by management. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and is then subject to depreciation/amortisation.

### ***Intangible assets***

Intangible assets predominately comprise computer software and carbon credits.

## **Computer software**

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

## **Carbon credits**

Carbon credits comprise either allocations of emission allowances granted by the Crown related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Gains and losses arising from disposal of intangible assets are recognised within the surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within the surplus or deficit.

## **Deferred revenue**

### **Liabilities recognised under conditional transfer agreements**

The Council receives non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they were not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

## **Borrowings**

Borrowings on normal commercial terms are initially recognised at amortised cost. Interest due on the borrowings is subsequently accrued. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## **Leases**

### ***Operating leases as lessee***

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within the surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

### ***Operating leases as lessor***

The Council leases investment properties and a portion of land and buildings. Rental revenue is recognised on a straight-line basis over the lease term.

## **Employee benefit liabilities**

A provision for employee benefit liabilities (holiday leave, retirement gratuities and other contractual provisions) is recognised as a liability when benefits are earned but not paid.

## **Holiday leave**

Holiday leave includes annual leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

## **Provisions for other liabilities**

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

## **Contingent assets and liabilities**

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident.

Contingent assets are disclosed if it is probable the benefits will be realised.

Contingent liabilities are disclosed if the possibility they will crystallise is not remote.

## **Net assets/equity**

Net assets or equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Net assets or equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council.

The components of net assets or equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

## **Prospective statement of cash flows**

Cash and cash equivalents for the purposes of the cash flow statement comprise cash at bank, cash on hand, and short-term bank deposits of up to 3 months at acquisition. The prospective statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial and non-investing activity revenue sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities relate to the acquisition and disposal of assets and investment revenue.

Financing activities relate to activities that change the equity and debt capital structure of the Council and financing costs.

## **Related parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive, and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

OPERATING

Strategy	Activity Group	Activity	Activity Description	Income/ Expense	2024/25 Draft	2025/26 Draft	2026/27 Draft	2027/28 Draft	2028/29 Draft	2029/30 Draft	2030/31 Draft	2031/32 Draft	2032/33 Draft	2033/34 Draft	Total \$000s
					Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget		
Governance	1.1	1000	Annual Planning	Expense	1,870	1,925	1,931	1,995	2,060	2,130	2,205	2,299	2,369	2,428	21,213
			<b>Annual Planning Total</b>		<b>1,870</b>	<b>1,925</b>	<b>1,931</b>	<b>1,995</b>	<b>2,060</b>	<b>2,130</b>	<b>2,205</b>	<b>2,299</b>	<b>2,369</b>	<b>2,428</b>	<b>21,213</b>
		1001	Policy	Expense	1,758	1,817	1,809	1,867	1,930	1,996	2,067	2,155	2,221	2,277	19,897
			<b>Policy Total</b>		<b>1,758</b>	<b>1,817</b>	<b>1,809</b>	<b>1,867</b>	<b>1,930</b>	<b>1,996</b>	<b>2,067</b>	<b>2,155</b>	<b>2,221</b>	<b>2,277</b>	<b>19,897</b>
		1002	Committee & Council Process	Expense	8,417	9,485	8,070	8,511	9,461	8,855	9,362	10,396	9,773	10,298	92,627
				Income	(27)	(223)	(28)	(29)	(241)	(30)	(31)	(256)	(32)	(33)	(930)
			<b>Committee &amp; Council Process Total</b>		<b>8,390</b>	<b>9,262</b>	<b>8,041</b>	<b>8,482</b>	<b>9,220</b>	<b>8,824</b>	<b>9,331</b>	<b>10,140</b>	<b>9,741</b>	<b>10,265</b>	<b>91,696</b>
		1003	Strategic Planning	Expense	683	704	704	727	751	775	803	837	863	884	7,732
			<b>Strategic Planning Total</b>		<b>683</b>	<b>704</b>	<b>704</b>	<b>727</b>	<b>751</b>	<b>775</b>	<b>803</b>	<b>837</b>	<b>863</b>	<b>884</b>	<b>7,732</b>
		1004	Tawa Community Board - Discretionary	Expense	19	20	20	20	21	21	21	21	21	21	206
			<b>Tawa Community Board - Discretionary Total</b>		<b>19</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>206</b>
		1005	Smart Capital - Marketing	Expense	3	3	3	4	4	4	4	4	4	4	36
			<b>Smart Capital - Marketing Total</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>36</b>
		1007	WCC City Service Centre	Expense	5,346	5,558	5,487	5,630	5,821	5,968	6,179	6,439	6,652	6,838	59,917
				Income	(157)	(161)	(55)	(56)	(58)	(59)	(60)	(61)	(62)	(64)	(793)
	<b>WCC City Service Centre Total</b>		<b>5,189</b>	<b>5,397</b>	<b>5,432</b>	<b>5,574</b>	<b>5,763</b>	<b>5,909</b>	<b>6,119</b>	<b>6,378</b>	<b>6,589</b>	<b>6,774</b>	<b>59,124</b>		
1009	Rating Property Valuations	Expense	893	925	949	976	999	1,022	1,063	1,080	1,093	1,093	10,042		
		Income	(220)	(226)	(232)	(238)	(244)	(249)	(254)	(260)	(264)	(269)	(2,458)		
	<b>Rating Property Valuations Total</b>		<b>673</b>	<b>699</b>	<b>716</b>	<b>737</b>	<b>755</b>	<b>773</b>	<b>788</b>	<b>804</b>	<b>816</b>	<b>823</b>	<b>7,584</b>		
1010	Rateable property data & valuation management	Expense	1,232	1,281	1,263	1,299	1,343	1,382	1,430	1,490	1,537	1,577	13,834		
	<b>Rateable property data &amp; valuation management Total</b>		<b>1,232</b>	<b>1,281</b>	<b>1,263</b>	<b>1,299</b>	<b>1,343</b>	<b>1,382</b>	<b>1,430</b>	<b>1,490</b>	<b>1,537</b>	<b>1,577</b>	<b>13,834</b>		
1011	Archives	Expense	2,670	3,518	3,672	3,753	3,833	3,899	3,983	4,082	4,160	4,228	37,798		
		Income	(148)	(152)	(156)	(160)	(164)	(167)	(171)	(174)	(177)	(181)	(1,649)		
	<b>Archives Total</b>		<b>2,522</b>	<b>3,366</b>	<b>3,516</b>	<b>3,593</b>	<b>3,669</b>	<b>3,732</b>	<b>3,812</b>	<b>3,908</b>	<b>3,982</b>	<b>4,047</b>	<b>36,149</b>		
	<b>1.1 Total</b>		<b>22,341</b>	<b>24,474</b>	<b>23,437</b>	<b>24,298</b>	<b>25,516</b>	<b>25,546</b>	<b>26,579</b>	<b>28,035</b>	<b>28,143</b>	<b>29,101</b>	<b>257,471</b>		
<b>Total 1 Governance</b>			<b>22,341</b>	<b>24,474</b>	<b>23,437</b>	<b>24,298</b>	<b>25,516</b>	<b>25,546</b>	<b>26,579</b>	<b>28,035</b>	<b>28,143</b>	<b>29,101</b>	<b>257,471</b>		
Environment and Infrastructure	2.1	1014	Parks and Reserves Planning	Expense	1,584	1,570	1,554	1,603	1,629	1,838	1,898	1,970	2,027	2,065	17,738
			<b>Parks and Reserves Planning Total</b>		<b>1,584</b>	<b>1,570</b>	<b>1,554</b>	<b>1,603</b>	<b>1,629</b>	<b>1,838</b>	<b>1,898</b>	<b>1,970</b>	<b>2,027</b>	<b>2,065</b>	<b>17,738</b>
		1015	Reserves Unplanned Maintenance	Expense	266	271	277	309	316	324	356	364	370	375	3,229
			<b>Reserves Unplanned Maintenance Total</b>		<b>266</b>	<b>271</b>	<b>277</b>	<b>309</b>	<b>316</b>	<b>324</b>	<b>356</b>	<b>364</b>	<b>370</b>	<b>375</b>	<b>3,229</b>
		1016	Parks Mowing- Open Space & Reserve Land	Expense	1,736	1,512	1,539	1,597	1,641	1,778	1,834	1,897	1,944	1,987	17,465
				Income	(59)	(61)	(62)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(651)
			<b>Parks Mowing- Open Space &amp; Reserve Land Total</b>		<b>1,677</b>	<b>1,451</b>	<b>1,477</b>	<b>1,533</b>	<b>1,575</b>	<b>1,712</b>	<b>1,767</b>	<b>1,829</b>	<b>1,875</b>	<b>1,918</b>	<b>16,814</b>
		1017	Park Furniture and Infrastructure Maintenance	Expense	3,154	3,206	3,366	3,590	3,783	3,987	4,125	4,282	4,467	4,704	38,666
				Income	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(48)	(49)	(454)
			<b>Park Furniture and Infrastructure Maintenance Total</b>		<b>3,114</b>	<b>3,164</b>	<b>3,323</b>	<b>3,546</b>	<b>3,738</b>	<b>3,941</b>	<b>4,078</b>	<b>4,235</b>	<b>4,419</b>	<b>4,655</b>	<b>38,212</b>
		1018	Parks and Buildings Maint	Expense	2,011	2,044	2,102	2,194	2,224	2,337	2,451	2,544	2,615	2,704	23,225
				Income	(345)	(358)	(368)	(377)	(385)	(392)	(397)	(403)	(407)	(412)	(3,844)
			<b>Parks and Buildings Maint Total</b>		<b>1,665</b>	<b>1,686</b>	<b>1,734</b>	<b>1,817</b>	<b>1,839</b>	<b>1,945</b>	<b>2,053</b>	<b>2,141</b>	<b>2,208</b>	<b>2,292</b>	<b>19,382</b>
		1019	CBD and Suburban Gardens	Expense	3,160	3,080	3,128	3,232	3,332	3,566	3,683	3,817	3,909	3,985	34,893
				Income	(297)	(309)	(317)	(325)	(332)	(338)	(343)	(347)	(352)	(355)	(3,316)
			<b>CBD and Suburban Gardens Total</b>		<b>2,863</b>	<b>2,772</b>	<b>2,810</b>	<b>2,907</b>	<b>3,000</b>	<b>3,228</b>	<b>3,340</b>	<b>3,469</b>	<b>3,557</b>	<b>3,630</b>	<b>31,577</b>
		1020	Arboricultural Operations	Expense	2,299	2,154	2,184	2,295	2,365	2,516	2,577	2,675	2,748	2,806	24,619
				Income	(113)	(117)	(120)	(123)	(126)	(128)	(130)	(132)	(133)	(135)	(1,257)
			<b>Arboricultural Operations Total</b>		<b>2,186</b>	<b>2,037</b>	<b>2,064</b>	<b>2,172</b>	<b>2,239</b>	<b>2,388</b>	<b>2,447</b>	<b>2,543</b>	<b>2,615</b>	<b>2,672</b>	<b>23,362</b>
		1021	Wellington Gardens (Botanic,Otari etc)	Expense	7,700	8,044	8,329	8,785	9,094	9,527	10,030	10,526	10,936	11,565	94,536
				Income	(879)	(796)	(814)	(830)	(844)	(857)	(868)	(877)	(886)	(893)	(8,544)
			<b>Wellington Gardens (Botanic,Otari etc) Total</b>		<b>6,822</b>	<b>7,248</b>	<b>7,515</b>	<b>7,955</b>	<b>8,250</b>	<b>8,670</b>	<b>9,162</b>	<b>9,649</b>	<b>10,050</b>	<b>10,672</b>	<b>85,993</b>
		1022	Coastal Operations	Expense	1,802	1,764	1,846	1,961	1,935	2,042	2,142	2,252	2,312	2,342	20,397
				Income	(60)	(62)	(64)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(669)
			<b>Coastal Operations Total</b>		<b>1,742</b>	<b>1,702</b>	<b>1,782</b>	<b>1,896</b>	<b>1,868</b>	<b>1,974</b>	<b>2,073</b>	<b>2,182</b>	<b>2,241</b>	<b>2,270</b>	<b>19,728</b>
1026	Hazardous Trees Removal	Expense	530	568	579	596	612	628	644	662	676	687	6,181		
		Income	0	0	0	0	0	0	0	0	0	0	0		
	<b>Hazardous Trees Removal Total</b>		<b>530</b>	<b>568</b>	<b>579</b>	<b>596</b>	<b>612</b>	<b>628</b>	<b>644</b>	<b>662</b>	<b>676</b>	<b>687</b>	<b>6,181</b>		
1027	Town Belts Planting	Expense	980	1,878	1,927	2,001	1,996	2,053	2,108	2,171	2,221	2,261	19,596		
	<b>Town Belts Planting Total</b>		<b>980</b>	<b>1,878</b>	<b>1,927</b>	<b>2,001</b>	<b>1,996</b>	<b>2,053</b>	<b>2,108</b>	<b>2,171</b>	<b>2,221</b>	<b>2,261</b>	<b>19,596</b>		
1028	Townbelt-Reserves Management	Expense	7,892	8,498	9,161	9,671	10,310	10,998	11,796	12,963	13,350	13,744	108,384		
		Income	(366)	(380)	(390)	(400)	(408)	(415)	(422)	(427)	(432)	(437)	(4,077)		
	<b>Townbelt-Reserves Management Total</b>		<b>7,526</b>	<b>8,118</b>	<b>8,771</b>	<b>9,272</b>	<b>9,902</b>	<b>10,583</b>	<b>11,375</b>	<b>12,536</b>	<b>12,918</b>	<b>13,308</b>	<b>104,307</b>		
1030	Community greening initiatives	Expense	689	754	753	773	802	947	974	1,005	1,030	1,050	8,777		
	<b>Community greening initiatives Total</b>		<b>689</b>	<b>754</b>	<b>753</b>	<b>773</b>	<b>802</b>	<b>947</b>	<b>974</b>	<b>1,005</b>	<b>1,030</b>	<b>1,050</b>	<b>8,777</b>		
1031	Environmental Grants Pool	Expense	109	110	110	111	112	113	113	114	114	115	1,120		
	<b>Environmental Grants Pool Total</b>		<b>109</b>	<b>110</b>	<b>110</b>	<b>111</b>	<b>112</b>	<b>113</b>	<b>113</b>	<b>114</b>	<b>114</b>	<b>115</b>	<b>1,120</b>		
1032	Walkway Maintenance	Expense	1,439	1,463	1,473	1,475	1,418	1,658	1,647	1,634	1,622	1,627	15,455		
	<b>Walkway Maintenance Total</b>		<b>1,439</b>	<b>1,463</b>	<b>1,473</b>	<b>1,475</b>	<b>1,418</b>	<b>1,658</b>	<b>1,647</b>	<b>1,634</b>	<b>1,622</b>	<b>1,627</b>	<b>15,455</b>		
1033	Weeds & Hazardous Trees Monitoring	Expense	1,921	1,774	1,790	1,846	1,902	1,967	2,022	2,025	2,088	2,136	19,470		
	<b>Weeds &amp; Hazardous Trees Monitoring Total</b>		<b>1,921</b>	<b>1,774</b>	<b>1,790</b>	<b>1,846</b>	<b>1,902</b>	<b>1,967</b>	<b>2,022</b>	<b>2,025</b>	<b>2,088</b>	<b>2,136</b>	<b>19,470</b>		
1034	Animal Pest Management	Expense	2,249	2,310	2,361	2,433	2,493	2,614	2,667	2,725	2,770	2,805	25,427		
	<b>Animal Pest Management Total</b>		<b>2,249</b>	<b>2,310</b>	<b>2,361</b>	<b>2,433</b>	<b>2,493</b>	<b>2,614</b>	<b>2,667</b>	<b>2,725</b>	<b>2,770</b>	<b>2,805</b>	<b>25,427</b>		
1035	Waterfront Public Space Management	Expense	14,876	15,069	15,292	14,084	13,287	13,644	14,540	14,667	14,626	14,785	144,871		
		Income	(502)	(521)	(535)	(548)	(560)	(571)	(581)	(591)	(600)	(609)	(5,617)		
	<b>Waterfront Public Space Management Total</b>		<b>14,374</b>	<b>14,548</b>	<b>14,758</b>	<b>13,536</b>	<b>12,727</b>	<b>13,073</b>	<b>13,958</b>	<b>14,077</b>	<b>14,026</b>	<b>14,177</b>	<b>139,255</b>		
1042	EV Charging & Home Energy Audits	Expense	44	46	47	48	49	50	51	52	53	54	495		
	<b>EV Charging &amp; Home Energy Audits Total</b>		<b>44</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<					









		Income	(773)	(842)	(869)	(893)	(914)	(931)	(946)	(959)	(968)	(976)	(9,072)	
		<b>Kerb &amp; Channel Maintenance Total</b>	<b>1,275</b>	<b>1,383</b>	<b>1,413</b>	<b>1,453</b>	<b>1,488</b>	<b>1,527</b>	<b>1,561</b>	<b>1,599</b>	<b>1,630</b>	<b>1,653</b>	<b>14,981</b>	
1159	Vehicle Network Asset Management	Expense	38,455	48,130	58,217	68,643	80,679	92,448	103,981	103,673	106,350	114,911	815,487	
		Income	(404)	(416)	(428)	(439)	(448)	(457)	(466)	(473)	(480)	(487)	(4,499)	
		<b>Vehicle Network Asset Management Total</b>	<b>38,051</b>	<b>47,713</b>	<b>57,789</b>	<b>68,204</b>	<b>80,230</b>	<b>91,991</b>	<b>103,516</b>	<b>103,200</b>	<b>105,870</b>	<b>114,424</b>	<b>810,988</b>	
1160	Port and Ferry Access Planning	Expense	82	94	99	104	107	109	111	114	115	117	1,053	
		<b>Port and Ferry Access Planning Total</b>	<b>82</b>	<b>94</b>	<b>99</b>	<b>104</b>	<b>107</b>	<b>109</b>	<b>111</b>	<b>114</b>	<b>115</b>	<b>117</b>	<b>1,053</b>	
1161	Cycleways Maintenance	Expense	594	638	677	779	822	866	1,009	1,158	1,307	1,454	9,305	
		Income	(224)	(242)	(258)	(297)	(313)	(328)	(381)	(434)	(487)	(540)	(3,505)	
		<b>Cycleways Maintenance Total</b>	<b>370</b>	<b>396</b>	<b>419</b>	<b>482</b>	<b>509</b>	<b>538</b>	<b>628</b>	<b>724</b>	<b>820</b>	<b>914</b>	<b>5,800</b>	
1162	Cycleway Asset Management	Expense	680	3,135	5,477	8,393	10,259	11,736	13,235	15,017	16,857	18,815	103,604	
		Income	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(88)	
		<b>Cycleway Asset Management Total</b>	<b>673</b>	<b>3,127</b>	<b>5,468</b>	<b>8,384</b>	<b>10,250</b>	<b>11,727</b>	<b>13,226</b>	<b>15,008</b>	<b>16,847</b>	<b>18,806</b>	<b>103,515</b>	
1163	Cycleways Planning	Expense	5,552	5,523	5,521	5,687	5,862	6,026	6,226	6,471	6,662	6,823	60,353	
		Income	(1,545)	(1,605)	(1,657)	(1,703)	(1,742)	(1,775)	(1,804)	(1,827)	(1,845)	(1,860)	(17,365)	
		<b>Cycleways Planning Total</b>	<b>4,007</b>	<b>3,917</b>	<b>3,864</b>	<b>3,984</b>	<b>4,120</b>	<b>4,251</b>	<b>4,422</b>	<b>4,643</b>	<b>4,817</b>	<b>4,963</b>	<b>42,988</b>	
1164	Lambton Quay Interchange Maintenance	Expense	1,089	1,134	1,174	1,212	1,249	1,287	1,326	1,376	1,403	1,423	12,675	
		Income	(465)	(479)	(492)	(505)	(516)	(527)	(536)	(545)	(553)	(561)	(5,179)	
		<b>Lambton Quay Interchange Maintenance Total</b>	<b>624</b>	<b>655</b>	<b>682</b>	<b>707</b>	<b>732</b>	<b>761</b>	<b>790</b>	<b>832</b>	<b>850</b>	<b>863</b>	<b>7,496</b>	
1165	Street Furniture Advertising	Income	(1,205)	(1,243)	(1,276)	(1,309)	(1,338)	(1,365)	(1,390)	(1,412)	(1,433)	(1,453)	(13,424)	
		<b>Street Furniture Advertising Total</b>	<b>(1,205)</b>	<b>(1,243)</b>	<b>(1,276)</b>	<b>(1,309)</b>	<b>(1,338)</b>	<b>(1,365)</b>	<b>(1,390)</b>	<b>(1,412)</b>	<b>(1,433)</b>	<b>(1,453)</b>	<b>(13,424)</b>	
1166	Passenger Transport Asset Management	Expense	1,243	1,268	1,304	1,354	1,418	1,492	1,556	1,651	1,722	1,790	14,799	
		Income	0	0	0	0	0	0	0	0	0	0	0	
		<b>Passenger Transport Asset Management Total</b>	<b>1,243</b>	<b>1,268</b>	<b>1,304</b>	<b>1,354</b>	<b>1,418</b>	<b>1,492</b>	<b>1,556</b>	<b>1,651</b>	<b>1,722</b>	<b>1,790</b>	<b>14,799</b>	
1168	Cable Car	Expense	1,079	854	317	3,026	2,484	18	18	18	17	13	7,844	
		<b>Cable Car Total</b>	<b>1,079</b>	<b>854</b>	<b>317</b>	<b>3,026</b>	<b>2,484</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>13</b>	<b>7,844</b>	
1170	Street Furniture Maintenance	Expense	424	452	478	507	535	564	593	622	653	685	5,514	
		Income	(17)	(18)	(18)	(19)	(19)	(20)	(20)	(20)	(20)	(20)	(191)	
		<b>Street Furniture Maintenance Total</b>	<b>407</b>	<b>434</b>	<b>460</b>	<b>488</b>	<b>515</b>	<b>545</b>	<b>574</b>	<b>602</b>	<b>633</b>	<b>665</b>	<b>5,323</b>	
1171	Footpaths Asset Management	Expense	13,085	13,803	14,981	15,673	16,539	17,856	19,289	20,924	21,749	22,505	176,404	
		Income	(75)	(82)	(85)	(87)	(89)	(91)	(92)	(93)	(94)	(95)	(882)	
		<b>Footpaths Asset Management Total</b>	<b>13,010</b>	<b>13,721</b>	<b>14,896</b>	<b>15,586</b>	<b>16,451</b>	<b>17,766</b>	<b>19,197</b>	<b>20,831</b>	<b>21,654</b>	<b>22,410</b>	<b>175,522</b>	
1172	Footpaths & Accessway Maintenance	Expense	1,702	1,712	1,755	1,805	1,848	1,892	1,929	1,968	1,999	2,023	18,632	
		Income	(643)	(648)	(669)	(688)	(704)	(717)	(729)	(738)	(745)	(751)	(7,032)	
		<b>Footpaths &amp; Accessway Maintenance Total</b>	<b>1,059</b>	<b>1,063</b>	<b>1,086</b>	<b>1,117</b>	<b>1,145</b>	<b>1,174</b>	<b>1,200</b>	<b>1,230</b>	<b>1,254</b>	<b>1,271</b>	<b>11,600</b>	
1173	Footpaths Structures Maintenance	Expense	323	375	404	425	445	466	487	509	531	552	4,518	
		Income	(122)	(127)	(131)	(135)	(138)	(141)	(143)	(145)	(146)	(147)	(1,376)	
		<b>Footpaths Structures Maintenance Total</b>	<b>201</b>	<b>248</b>	<b>273</b>	<b>290</b>	<b>307</b>	<b>326</b>	<b>344</b>	<b>364</b>	<b>385</b>	<b>405</b>	<b>3,142</b>	
1174	Traffic Signals Maintenance	Expense	2,014	2,107	2,191	2,286	2,377	2,472	2,565	2,664	2,727	2,773	24,177	
		Income	(764)	(794)	(819)	(842)	(862)	(878)	(892)	(904)	(913)	(920)	(8,589)	
		<b>Traffic Signals Maintenance Total</b>	<b>1,250</b>	<b>1,313</b>	<b>1,372</b>	<b>1,443</b>	<b>1,515</b>	<b>1,594</b>	<b>1,673</b>	<b>1,760</b>	<b>1,814</b>	<b>1,853</b>	<b>15,588</b>	
1175	Traffic Control Asset Management	Expense	6,146	6,402	6,618	6,813	7,045	7,304	7,582	7,879	8,194	8,527	73,971	
		Income	(235)	(277)	(286)	(294)	(301)	(307)	(312)	(316)	(319)	(321)	(2,967)	
		<b>Traffic Control Asset Management Total</b>	<b>5,912</b>	<b>6,125</b>	<b>6,332</b>	<b>6,519</b>	<b>6,744</b>	<b>7,004</b>	<b>7,270</b>	<b>7,563</b>	<b>7,875</b>	<b>8,206</b>	<b>71,004</b>	
1176	Road Marking Maintenance	Expense	1,741	1,893	1,941	1,996	2,044	2,093	2,135	2,180	2,214	2,241	20,478	
		Income	(654)	(714)	(737)	(757)	(775)	(789)	(802)	(813)	(821)	(827)	(7,689)	
		<b>Road Marking Maintenance Total</b>	<b>1,086</b>	<b>1,179</b>	<b>1,204</b>	<b>1,239</b>	<b>1,270</b>	<b>1,304</b>	<b>1,333</b>	<b>1,367</b>	<b>1,394</b>	<b>1,414</b>	<b>12,789</b>	
1177	Traffic & Street Sign Maintenance	Expense	470	511	523	539	552	565	577	589	599	606	5,530	
		Income	(175)	(191)	(198)	(203)	(208)	(212)	(215)	(218)	(220)	(222)	(2,062)	
		<b>Traffic &amp; Street Sign Maintenance Total</b>	<b>294</b>	<b>319</b>	<b>326</b>	<b>335</b>	<b>344</b>	<b>353</b>	<b>362</b>	<b>371</b>	<b>379</b>	<b>384</b>	<b>3,468</b>	
1178	Network Planning & Coordination	Expense	4,546	4,670	4,747	4,934	5,098	5,307	5,503	5,750	5,931	6,075	52,563	
		Income	(2,056)	(2,128)	(2,187)	(2,241)	(2,288)	(2,331)	(2,367)	(2,399)	(2,430)	(2,456)	(22,884)	
		<b>Network Planning &amp; Coordination Total</b>	<b>2,489</b>	<b>2,541</b>	<b>2,560</b>	<b>2,693</b>	<b>2,810</b>	<b>2,976</b>	<b>3,136</b>	<b>3,351</b>	<b>3,501</b>	<b>3,619</b>	<b>29,678</b>	
1179	Street Lighting Maintenance	Expense	4,048	4,449	4,630	4,815	4,991	5,169	5,336	5,509	5,676	5,844	50,467	
		Income	(1,968)	(2,124)	(2,192)	(2,254)	(2,306)	(2,349)	(2,387)	(2,418)	(2,442)	(2,462)	(22,902)	
		<b>Street Lighting Maintenance Total</b>	<b>2,081</b>	<b>2,325</b>	<b>2,438</b>	<b>2,562</b>	<b>2,685</b>	<b>2,819</b>	<b>2,949</b>	<b>3,091</b>	<b>3,234</b>	<b>3,382</b>	<b>27,565</b>	
1180	Transport Education & Promotion	Expense	549	583	589	609	626	643	663	688	707	722	6,379	
		Income	(235)	(242)	(248)	(255)	(260)	(266)	(270)	(275)	(279)	(283)	(2,613)	
		<b>Transport Education &amp; Promotion Total</b>	<b>314</b>	<b>341</b>	<b>340</b>	<b>354</b>	<b>365</b>	<b>377</b>	<b>393</b>	<b>413</b>	<b>428</b>	<b>440</b>	<b>3,766</b>	
1181	Fences & Guardrails Maintenance	Expense	207	276	359	447	541	642	750	865	991	1,127	6,206	
		Income	(31)	(34)	(35)	(36)	(36)	(37)	(38)	(38)	(39)	(39)	(361)	
		<b>Fences &amp; Guardrails Maintenance Total</b>	<b>176</b>	<b>242</b>	<b>325</b>	<b>412</b>	<b>505</b>	<b>605</b>	<b>712</b>	<b>827</b>	<b>953</b>	<b>1,088</b>	<b>5,845</b>	
1182	Safety Asset Management	Expense	4,286	4,530	4,760	4,965	5,171	5,402	5,661	5,981	6,182	6,235	53,173	
		Income	(212)	(235)	(241)	(247)	(253)	(258)	(262)	(266)	(270)	(274)	(2,519)	
		<b>Safety Asset Management Total</b>	<b>4,074</b>	<b>4,296</b>	<b>4,519</b>	<b>4,718</b>	<b>4,918</b>	<b>5,144</b>	<b>5,398</b>	<b>5,714</b>	<b>5,911</b>	<b>5,961</b>	<b>50,654</b>	
<b>7.1 Total</b>	<b>Transport</b>		<b>106,000</b>	<b>121,614</b>	<b>135,114</b>	<b>153,215</b>	<b>169,710</b>	<b>184,636</b>	<b>202,256</b>	<b>208,784</b>	<b>215,866</b>	<b>229,342</b>	<b>1,726,537</b>	
<b>7.2</b>	<b>1184</b>	<b>Parking Services &amp; Enforcement</b>	<b>Expense</b>	<b>22,064</b>	<b>22,707</b>	<b>22,944</b>	<b>23,733</b>	<b>24,805</b>	<b>24,202</b>	<b>24,949</b>	<b>25,716</b>	<b>26,367</b>	<b>27,033</b>	<b>244,521</b>
		<b>Income</b>	<b>(38,937)</b>	<b>(40,148)</b>	<b>(40,977)</b>	<b>(41,757)</b>	<b>(42,455)</b>	<b>(43,065)</b>	<b>(43,583)</b>	<b>(44,038)</b>	<b>(44,463)</b>	<b>(44,820)</b>	<b>(424,245)</b>	
		<b>Parking Services &amp; Enforcement Total</b>	<b>(16,873)</b>	<b>(17,441)</b>	<b>(18,033)</b>	<b>(18,024)</b>	<b>(18,650)</b>	<b>(18,864)</b>	<b>(19,381)</b>	<b>(19,589)</b>	<b>(19,747)</b>	<b>(18,487)</b>	<b>(179,724)</b>	
1185	Waterfront Parking Services	Expense	142	162	161	165	164	168	172	175	179	181	1,669	
		Income	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(1,135)	(11,349)	
		<b>Waterfront Parking Services Total</b>	<b>(993)</b>	<b>(973)</b>	<b>(974)</b>	<b>(970)</b>	<b>(971)</b>	<b>(967)</b>	<b>(963)</b>	<b>(959)</b>	<b>(956)</b>	<b>(954)</b>	<b>(9,680)</b>	
<b>7.2 Total</b>	<b>Parking</b>		<b>(17,866)</b>	<b>(18,414)</b>	<b>(19,007)</b>	<b>(18,994)</b>	<b>(18,620)</b>	<b>(19,830)</b>	<b>(19,579)</b>	<b>(19,282)</b>	<b>(19,052)</b>	<b>(18,741)</b>	<b>(189,404)</b>	
<b>Total 7 Transport</b>			<b>88,134</b>	<b>103,200</b>	<b>116,107</b>	<b>134,221</b>	<b>151,090</b>	<b>164,806</b>	<b>182,657</b>	<b>189,502</b>	<b>196,814</b>	<b>210,601</b>	<b>1,537,133</b>	
<b>Council</b>	<b>10.1</b>	<b>1012</b>	<b>Maori Partnerships</b>	Expense	2,254	2,377	2,423	2,498	2,568	2,641	2,716	2,804	2,928	26,082
			<b>Maori Partnerships Total</b>	<b>2,254</b>	<b>2,377</b>	<b>2,423</b>	<b>2,498</b>	<b>2,568</b>	<b>2,641</b>	<b>2,716</b>	<b>2,804</b>	<b>2,928</b>	<b>26,082</b>	

1193	Self Insurance Reserve	Expense	1,781	1,672	1,715	1,763	1,805	1,847	1,883	1,921	1,951	1,974	18,312
	<b>Self Insurance Reserve Total</b>		<b>1,781</b>	<b>1,672</b>	<b>1,715</b>	<b>1,763</b>	<b>1,805</b>	<b>1,847</b>	<b>1,883</b>	<b>1,921</b>	<b>1,951</b>	<b>1,974</b>	<b>18,312</b>
1196	External Capital Funding	Income	(130,074)	(106,915)	(44,299)	0	(6,642)	(2,828)	0	0	0	0	(290,758)
	<b>External Capital Funding Total</b>		<b>(130,074)</b>	<b>(106,915)</b>	<b>(44,299)</b>	<b>0</b>	<b>(6,642)</b>	<b>(2,828)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(290,758)</b>
1198	Waterfront Utilities Management	Expense	760	784	808	834	865	881	908	930	955	965	8,689
		Income	(180)	(186)	(192)	(196)	(200)	(204)	(207)	(210)	(212)	(214)	(2,003)
	<b>Waterfront Utilities Management Total</b>		<b>580</b>	<b>598</b>	<b>616</b>	<b>637</b>	<b>664</b>	<b>677</b>	<b>701</b>	<b>720</b>	<b>742</b>	<b>750</b>	<b>6,687</b>
1200	Org	Expense	12,843	9,420	9,162	9,471	9,701	9,216	9,400	9,437	9,496	9,552	97,698
		Income	(597,609)	(666,653)	(757,572)	(806,806)	(857,705)	(903,018)	(952,977)	(992,332)	(1,033,662)	(1,078,233)	(8,646,566)
	<b>Org Total</b>		<b>(584,766)</b>	<b>(657,234)</b>	<b>(748,410)</b>	<b>(797,335)</b>	<b>(848,003)</b>	<b>(893,803)</b>	<b>(943,576)</b>	<b>(982,895)</b>	<b>(1,024,166)</b>	<b>(1,068,681)</b>	<b>(8,548,868)</b>
1204	Sustainable Parking Infrastructure	Income	0	0	0	0	0	0	0	0	0	0	0
	<b>Sustainable Parking Infrastructure Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1218	Maori Capability and Success	Expense	1,303	1,398	1,415	1,464	1,511	1,563	1,618	1,687	1,739	1,781	15,481
	<b>Maori Capability and Success Total</b>		<b>1,303</b>	<b>1,398</b>	<b>1,415</b>	<b>1,464</b>	<b>1,511</b>	<b>1,563</b>	<b>1,618</b>	<b>1,687</b>	<b>1,739</b>	<b>1,781</b>	<b>15,481</b>
1220	Climate change response	Expense	7,259	10,647	10,966	9,734	6,905	5,948	5,920	6,001	6,034	6,115	75,530
	<b>Climate change response Total</b>		<b>7,259</b>	<b>10,647</b>	<b>10,966</b>	<b>9,734</b>	<b>6,905</b>	<b>5,948</b>	<b>5,920</b>	<b>6,001</b>	<b>6,034</b>	<b>6,115</b>	<b>75,530</b>
1228	Te Matapihi Operations	Expense	0	174	402	515	632	782	949	1,147	1,340	1,540	7,482
	<b>Te Matapihi Operations Total</b>		<b>0</b>	<b>174</b>	<b>402</b>	<b>515</b>	<b>632</b>	<b>782</b>	<b>949</b>	<b>1,147</b>	<b>1,340</b>	<b>1,540</b>	<b>7,482</b>
<b>10.1 Total</b>	<b>Organisational Projects</b>		<b>(748,538)</b>	<b>(781,860)</b>	<b>(817,270)</b>	<b>(816,509)</b>	<b>(865,282)</b>	<b>(897,796)</b>	<b>(947,967)</b>	<b>(984,975)</b>	<b>(1,025,599)</b>	<b>(1,066,890)</b>	<b>(8,952,685)</b>
<b>Total 10 Council</b>			<b>(748,538)</b>	<b>(781,860)</b>	<b>(817,270)</b>	<b>(816,509)</b>	<b>(865,282)</b>	<b>(897,796)</b>	<b>(947,967)</b>	<b>(984,975)</b>	<b>(1,025,599)</b>	<b>(1,066,890)</b>	<b>(8,952,685)</b>
<b>Grand Total</b>			<b>(90,163)</b>	<b>(78,384)</b>	<b>(49,326)</b>	<b>5,224</b>	<b>(2,414)</b>	<b>10,887</b>	<b>10,637</b>	<b>16,587</b>	<b>14,271</b>	<b>20,930</b>	<b>(141,752)</b>

CAPITAL

Strategy	Activity Group	Activity	Activity Description	2024/25 Draft	2025/26 Draft	2026/27 Draft	2027/28 Draft	2028/29 Draft	2029/30 Draft	2030/31 Draft	2031/32 Draft	2032/33 Draft	2033/34 Draft	Total \$000s
				Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Governance	1.1	2000	Committee & Council Processes	0	149	0	0	0	0	0	0	0	0	149
	<b>1.1 Total</b>		<b>Governance, information and engagement</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149</b>
<b>Total 1 Governance</b>				<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149</b>
Environment and Infrastructure	2.1	2001	Property Purchases - Reserves	1,541	3,491	0	4,784	0	4,874	4,947	15,923	7,732	7,004	50,296
		2003	Parks Infrastructure	1,525	1,491	1,549	1,837	1,864	1,968	1,547	1,110	1,271	2,155	16,317
		2004	Parks Buildings	740	828	996	998	1,092	1,253	1,072	1,013	1,107	1,116	10,215
		2005	Plimmer Bequest Project	905	395	0	0	0	0	2,304	444	0	0	4,047
		2006	Botanic Garden	1,138	3,975	5,952	531	3,582	2,482	654	2,729	4,372	2,679	28,093
		2008	Coastal	1,605	1,487	867	520	875	666	842	602	832	842	9,140
		2009	Town Belt & Reserves	4,899	769	1,234	1,518	1,417	4,324	5,592	4,195	5,995	4,551	34,495
		2010	Walkways renewals	1,543	1,028	1,975	3,340	2,772	3,196	3,715	1,497	1,690	3,380	24,136
		2067	Wgtn Waterfront Development	1,000	1,036	1,065	7,852	33,404	11,335	0	0	0	0	55,692
		2068	Waterfront Renewals	3,347	3,723	3,986	3,549	4,035	3,555	2,162	1,763	1,776	2,004	29,901
	<b>2.1 Total</b>		<b>Parks, beaches and open spaces</b>	<b>18,241</b>	<b>18,223</b>	<b>17,624</b>	<b>24,929</b>	<b>49,041</b>	<b>33,653</b>	<b>22,836</b>	<b>29,277</b>	<b>24,777</b>	<b>23,732</b>	<b>262,333</b>
	2.2	2011	Southern Landfill Improvement	9,368	33,602	22,559	21,850	7,884	5,064	5,401	6,842	7,006	7,259	126,835
	<b>2.2 Total</b>		<b>Waste reduction and energy conservation</b>	<b>9,368</b>	<b>33,602</b>	<b>22,559</b>	<b>21,850</b>	<b>7,884</b>	<b>5,064</b>	<b>5,401</b>	<b>6,842</b>	<b>7,006</b>	<b>7,259</b>	<b>126,835</b>
	2.3	2013	Water - Network renewals	4,927	12,330	20,178	16,554	13,849	17,761	11,938	23,512	22,245	23,720	167,013
		2015	Water - Water Meter upgrades	0	0	0	2,552	13,169	33,515	42,889	41,352	9,095	0	142,571
		2016	Water - Network upgrades	2,775	1,753	1,748	4,482	4,046	2,342	1,150	1,281	1,152	1,222	21,951
		2019	Water - Reservoir renewals	0	0	0	0	0	0	0	0	944	4,289	5,232
		2020	Water - Reservoir upgrades	0	0	0	0	0	0	0	0	1,887	5,718	7,605
	<b>2.3 Total</b>		<b>Water supply</b>	<b>7,703</b>	<b>14,083</b>	<b>21,926</b>	<b>23,587</b>	<b>31,064</b>	<b>53,618</b>	<b>55,977</b>	<b>66,144</b>	<b>35,323</b>	<b>34,949</b>	<b>344,373</b>
	2.4	2023	Wastewater - Network renewals	30,570	24,210	27,441	74,476	60,615	45,654	38,981	39,010	27,561	25,046	393,564
		2024	Wastewater - Network upgrades	22,309	17,621	10,252	6,448	2,258	15,040	14,714	14,442	26,865	82,822	212,770
		2146	Sludge Minimisation	129,228	91,359	42,346	(4)	(3)	(2)	1	3	6	10	262,945
	<b>2.4 Total</b>		<b>Wastewater</b>	<b>182,106</b>	<b>133,191</b>	<b>80,039</b>	<b>80,920</b>	<b>62,870</b>	<b>60,692</b>	<b>53,696</b>	<b>53,455</b>	<b>54,432</b>	<b>107,878</b>	<b>869,279</b>
	2.5	2028	Stormwater - Network upgrades	2,195	2,222	2,263	3,043	8,032	23,052	54,741	44,886	5,048	8,756	154,238
		2029	Stormwater - Network renewals	1,526	1,608	11,216	4,847	3,582	3,612	2,712	7,683	11,990	3,874	52,651
	<b>2.5 Total</b>		<b>Stormwater</b>	<b>3,721</b>	<b>3,830</b>	<b>13,480</b>	<b>7,890</b>	<b>11,614</b>	<b>26,665</b>	<b>57,453</b>	<b>52,569</b>	<b>17,038</b>	<b>12,629</b>	<b>206,889</b>
	2.6	2033	Zoo renewals	1,311	1,356	1,423	1,841	1,912	1,915	1,943	2,125	2,151	2,172	18,149
		2034	Zoo upgrades	0	0	0	0	300	700	4,500	7,118	350	800	13,768
		2135	Zealandia	0	0	0	0	400	1,300	1,000	1,000	0	0	3,700
	<b>2.6 Total</b>		<b>Conservation attractions</b>	<b>1,311</b>	<b>1,356</b>	<b>1,423</b>	<b>1,841</b>	<b>2,612</b>	<b>3,915</b>	<b>7,443</b>	<b>10,243</b>	<b>2,501</b>	<b>2,972</b>	<b>35,617</b>
<b>Total 2 Environment and Infrastructure</b>				<b>222,450</b>	<b>204,284</b>	<b>157,050</b>	<b>161,017</b>	<b>165,086</b>	<b>183,606</b>	<b>202,807</b>	<b>218,531</b>	<b>141,076</b>	<b>189,418</b>	<b>1,845,326</b>
Economic Development	3.1	2035	Wellington Venues renewals	3,304	2,892	2,185	5,847	6,184	4,661	1,150	2,969	7,156	4,042	40,391
		2036	Venues Upgrades	0	0	0	3,272	3,340	3,401	3,452	0	0	0	13,464
	<b>3.1 Total</b>		<b>City promotions and business support</b>	<b>3,304</b>	<b>2,892</b>	<b>2,185</b>	<b>9,119</b>	<b>9,525</b>	<b>8,061</b>	<b>4,601</b>	<b>2,969</b>	<b>7,156</b>	<b>4,042</b>	<b>53,855</b>
<b>Total 3 Economic Development</b>				<b>3,304</b>	<b>2,892</b>	<b>2,185</b>	<b>9,119</b>	<b>9,525</b>	<b>8,061</b>	<b>4,601</b>	<b>2,969</b>	<b>7,156</b>	<b>4,042</b>	<b>53,855</b>
Arts and Cultural Activities	4.1	2038	Gallery & Museum Upgrades	1,684	12,509	5,879	980	0	0	0	0	0	0	21,052
		2041	Te ara o nga tupuna - Maori heritage trails	783	0	0	0	0	0	0	0	0	0	783
		2042	Arts Installation	75	78	80	82	84	85	86	87	88	89	834
		2148	Toi Poneke Art centre relocation to new building`	275	3,471	2,221	104	0	0	0	0	0	0	6,070
	<b>4.1 Total</b>		<b>Arts and cultural activities</b>	<b>2,817</b>	<b>16,057</b>	<b>8,179</b>	<b>1,165</b>	<b>84</b>	<b>85</b>	<b>86</b>	<b>87</b>	<b>88</b>	<b>89</b>	<b>28,739</b>
<b>Total 4 Arts and Cultural Activities</b>				<b>2,817</b>	<b>16,057</b>	<b>8,179</b>	<b>1,165</b>	<b>84</b>	<b>85</b>	<b>86</b>	<b>87</b>	<b>88</b>	<b>89</b>	<b>28,739</b>
Recreation Facilities and Services	5.1	2043	Aquatic Facility upgrades	7,680	0	0	0	0	0	0	0	0	0	7,680
		2044	Aquatic Facility renewals	2,701	3,488	1,487	2,393	2,280	2,252	1,425	2,381	2,818	2,634	23,860
		2045	Sportsfields upgrades	837	6,644	6,409	460	466	479	505	487	532	513	17,332
		2046	Synthetic Turf Sportsfields renewals	0	718	0	0	596	1,408	1,517	0	2,380	4,218	10,838
		2047	Synthetic Turf Sportsfields upgrades	0	0	2,543	0	0	0	0	0	0	0	2,543
		2048	Recreation Centre Renewal	39	94	2,902	68	477	274	52	263	288	10,103	14,561
		2049	ASB Sports Centre	101	61	116	67	84	167	88	937	1,320	23	2,964
		2050	Basin Reserve	267	133	187	821	964	2,942	723	1,407	407	297	8,148
		2051	Playgrounds renewals & upgrades	2,884	7,225	1,636	3,269	2,275	1,892	1,943	2,108	2,716	2,001	27,948
		2052	Evans Bay Marina - Renewals	584	157	1,478	141	1,755	172	53	36	62	141	4,579
		2053	Clyde Quay Marina - Upgrade	77	24	397	23	541	26	5	326	38	31	1,488
	<b>5.1 Total</b>		<b>Recreation promotion and support</b>	<b>15,170</b>	<b>18,543</b>	<b>17,154</b>	<b>7,241</b>	<b>9,440</b>	<b>9,612</b>	<b>6,311</b>	<b>7,945</b>	<b>10,561</b>	<b>19,963</b>	<b>121,941</b>
	5.2	2054	Library Materials Upgrade	4,173	3,390	2,730	2,796	2,855	2,907	2,953	3,135	3,175	3,209	31,323
		2055	Library Computer and Systems Replacement	703	199	394	109	111	113	115	270	129	131	2,274
		2056	Central Library - Upgrades and Renewals	81	2,725	37	38	150	39	102	158	42	42	3,413
		2057	Branch Library - Upgrades	0	0	0	0	0	0	0	13,812	11,188	0	25,000
		2058	Branch Library - Renewals	129	203	175	352	1,008	727	476	327	599	358	4,352
		2059	Housing upgrades	1,762	0	0	0	0	0	0	0	0	0	1,762
		2060	Housing renewals	38,963	51,728	62,717	91,602	83,489	81,244	77,283	54,249	27,616	23,984	592,874
		2061	Community Centres and Halls - Upgrades and Renewals	2,811	253	345	552	511	441	520	625	625	451	7,133
		2062	Burial & Cremations	683	1,490	1,859	3,026	480	699	532	456	638	364	10,228
		2063	Public Convenience and pavilions	1,021	653	2,110	1,925	2,383	1,269	817	819	1,277	871	13,143

	2064	Safety Initiatives	119	124	127	130	133	135	137	146	148	149	1,350	
	2065	Emergency Management renewals	86	89	92	94	96	98	99	105	106	108	973	
	2151	Te Awe Mapara: CFNP	100	311	0	4,090	4,176	4,251	29,191	29,571	29,926	30,225	131,840	
	<b>5.2 Total</b>	<b>Community participation and support</b>	<b>50,629</b>	<b>61,164</b>	<b>70,585</b>	<b>104,714</b>	<b>95,390</b>	<b>91,923</b>	<b>112,224</b>	<b>103,674</b>	<b>75,469</b>	<b>59,893</b>	<b>825,665</b>	
<b>Total 5 Recreation Facilities and Services</b>			<b>65,799</b>	<b>79,707</b>	<b>87,739</b>	<b>111,954</b>	<b>104,830</b>	<b>101,535</b>	<b>118,536</b>	<b>111,619</b>	<b>86,031</b>	<b>79,856</b>	<b>947,606</b>	
<b>Urban Development</b>	<b>6.1</b>	2070	Central City Framework	4,295	3,422	2,006	1,563	1,145	1,341	1,183	5,571	3,860	2,147	26,533
		2074	Minor CBD Enhancements	0	0	0	0	0	227	230	2,098	236	2,144	4,935
		2136	Housing Investment Programme	215	147	151	155	158	161	164	166	168	169	1,654
		2147	Subsurface Data Project Capex	960	228	0	0	0	0	0	0	0	0	1,188
	<b>6.1 Total</b>		<b>Urban planning, heritage and public spaces development</b>	<b>5,470</b>	<b>3,797</b>	<b>2,157</b>	<b>1,718</b>	<b>1,304</b>	<b>1,729</b>	<b>1,577</b>	<b>7,834</b>	<b>4,263</b>	<b>4,461</b>	<b>34,309</b>
	<b>6.2</b>	2076	Earthquake Risk Mitigation	63,372	48,824	31,070	5,000	0	0	0	0	0	0	148,266
	<b>6.2 Total</b>		<b>Building and Development</b>	<b>63,372</b>	<b>48,824</b>	<b>31,070</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148,266</b>
<b>Total 6 Urban Development</b>				<b>68,841</b>	<b>52,621</b>	<b>33,227</b>	<b>6,718</b>	<b>1,304</b>	<b>1,729</b>	<b>1,577</b>	<b>7,834</b>	<b>4,263</b>	<b>4,461</b>	<b>182,576</b>
<b>Transport</b>	<b>7.1</b>	2077	Wall, Bridge & Tunnel Renewals	7,975	12,973	13,335	8,693	8,876	10,171	10,326	18,622	9,413	9,512	109,898
		2078	Asphalt & Other Seal Renewals	1,654	1,591	1,668	1,878	1,956	2,031	2,103	2,240	2,267	2,290	19,680
		2079	Chipseal Renewals	5,262	5,059	5,304	5,972	6,220	6,460	6,690	7,126	7,215	7,291	62,601
		2080	Preseal Preparations	5,012	5,733	5,893	6,034	6,159	6,269	6,248	6,328	6,402	6,469	60,547
		2081	Shape & Camber Correction	3,714	3,571	3,743	4,215	4,390	4,559	4,721	5,028	5,091	5,144	44,177
		2082	Drainage Renewals	978	1,064	1,093	1,120	1,143	1,164	1,182	1,198	1,212	1,225	11,379
		2083	Wall Upgrades	6,500	6,731	6,919	5,340	5,453	5,553	5,638	5,714	5,786	5,847	59,481
		2084	Service Lane & Road Boundary Upgrades	60	62	64	65	67	68	69	70	71	71	665
		2085	Tunnel & Bridge Upgrades	2,088	1,714	1,762	1,804	1,842	1,876	1,904	1,930	1,954	1,975	18,849
		2086	Kerb & Channels Renewals	2,522	2,742	2,818	2,886	2,947	3,001	3,047	3,088	3,126	3,159	29,335
		2087	New Roads	1,650	1,295	5,325	10,906	16,942	27,970	8,048	8,739	4,333	8,318	93,525
		2088	Emergency Route Walls Upgrades	2,700	3,857	2,269	2,564	2,025	2,061	2,092	2,120	2,381	3,120	25,190
		2089	Roading Capacity Upgrades	0	0	0	0	0	0	0	0	0	0	0
		2090	Roading Rebuild	2,563	2,787	2,865	2,933	2,995	3,050	3,096	3,137	3,175	3,208	29,808
		2094	Cycling Network Renewals	20,235	12,234	19,330	4,809	6,150	7,163	9,746	11,646	12,297	7,711	111,320
		2095	Bus Priority Planning	150	155	159	163	167	170	173	175	178	180	1,670
		2096	Footpaths Structures Renewals & Upgrades	656	634	652	668	682	695	705	733	742	750	6,917
		2097	Footpaths Renewals	5,021	4,462	4,589	4,702	4,801	4,888	4,962	5,320	5,385	5,441	49,570
		2098	Footpaths Upgrades	1,189	970	1,261	1,020	1,319	1,064	1,369	1,102	1,413	1,137	11,845
		2099	Street Furniture Renewals	223	205	211	217	221	225	229	246	249	251	2,278
		2100	Pedestrian Network Accessways	306	272	280	287	293	298	303	324	328	331	3,022
		2101	Traffic & Street Signs Renewals	946	1,077	1,107	1,134	1,158	1,179	1,197	1,214	1,229	1,242	11,484
		2102	Traffic Signals Renewals	2,150	2,450	2,518	2,578	2,633	2,680	2,721	2,757	2,791	2,820	26,098
		2103	Street Lights Renewals & Upgrades	1,317	1,408	1,491	1,544	1,593	1,637	1,674	1,005	1,020	1,033	13,722
		2104	Rural Road Upgrades	100	104	107	109	111	113	115	117	118	119	1,113
		2105	Minor Works Upgrades	4,200	4,335	4,451	6,194	5,214	5,317	5,410	5,497	5,582	5,660	51,859
		2106	Fences & Guardrails Renewals	1,015	979	1,006	1,031	1,052	1,072	1,088	1,132	1,146	1,158	10,678
		2107	Speed Management Upgrades	70	205	210	215	220	225	230	236	242	247	2,099
		2141	LGWM - City Streets	12,499	25,316	20,311	11,273	7,080	7,208	7,316	7,411	7,500	7,997	113,911
		2142	LGWM - Early Delivery	43,958	26,029	36,016	41,250	19,823	0	0	0	0	0	167,076
		2152	Charged Up Capital	747	555	0	0	0	0	0	0	0	0	1,301
	<b>7.1 Total</b>		<b>Transport</b>	<b>137,459</b>	<b>130,568</b>	<b>146,757</b>	<b>131,604</b>	<b>113,533</b>	<b>108,165</b>	<b>92,404</b>	<b>104,253</b>	<b>92,645</b>	<b>93,706</b>	<b>1,151,095</b>
	<b>7.2</b>	2108	Parking Asset renewals	516	799	1,480	1,066	804	1,053	887	1,876	2,299	1,917	12,698
		2109	Parking Upgrades	4,714	929	959	982	201	205	208	212	214	217	8,843
	<b>7.2 Total</b>		<b>Parking</b>	<b>5,230</b>	<b>1,728</b>	<b>2,440</b>	<b>2,048</b>	<b>1,006</b>	<b>1,258</b>	<b>1,095</b>	<b>2,087</b>	<b>2,514</b>	<b>2,134</b>	<b>21,541</b>
<b>Total 7 Transport</b>				<b>142,689</b>	<b>132,297</b>	<b>149,197</b>	<b>133,652</b>	<b>114,539</b>	<b>109,423</b>	<b>93,500</b>	<b>106,340</b>	<b>95,159</b>	<b>95,841</b>	<b>1,172,636</b>
<b>Council</b>	<b>10.1</b>	2111	Capital Replacement Fund	3,551	4,793	4,927	5,045	5,151	5,244	5,322	5,647	5,715	5,772	51,166
		2112	Information Management	4,030	5,370	714	1,822	2,167	1,073	773	784	1,119	1,131	18,983
		2114	ICT Infrastructure	3,750	3,885	1,598	1,636	1,670	1,700	1,726	1,748	1,769	1,787	21,269
		2117	Unscheduled infrastructure renewals	0	0	0	0	0	0	0	2,730	2,763	2,790	8,283
		2118	Health & Safety - Legislation Compliance	372	386	396	406	414	422	428	449	454	459	4,186
		2119	Civic Property renewals	2,268	6,082	1,542	2,527	3,718	1,519	820	3,476	2,449	3,934	28,334
		2120	Commercial Properties renewals	2,485	2,558	1,043	2,761	6,909	3,734	1,119	2,258	3,177	2,587	28,632
		2121	Community & Childcare Facility renewals	160	285	425	880	1,668	941	251	908	1,195	661	7,373
		2126	Business Unit Support	8,100	8,347	4,305	4,408	4,513	4,619	4,726	4,835	4,946	5,060	53,858
		2127	Workplace	40,992	0	0	0	0	0	0	0	0	0	40,992
		2128	Civic Campus Resilience and Improvements	98,932	40,483	32,309	5,538	22,269	22,670	23,010	23,309	23,589	23,825	315,937
		2133	Quarry Renewals & Upgrades	6,762	5,811	6,079	67	69	70	72	22	23	24	19,001
		2140	Security	719	757	795	834	853	872	890	908	925	943	8,498
		2145	Car sharing enhancement	0	67	69	0	0	0	0	0	0	0	136
		2149	Reading Cinema Land Purchase	0	26,936	0	0	0	0	0	0	0	0	26,936
	<b>10.1 Total</b>		<b>Organisational Projects</b>	<b>172,122</b>	<b>105,758</b>	<b>54,201</b>	<b>25,925</b>	<b>49,401</b>	<b>42,864</b>	<b>39,138</b>	<b>47,076</b>	<b>48,125</b>	<b>48,973</b>	<b>633,584</b>
<b>Total 10 Council</b>				<b>172,122</b>	<b>105,758</b>	<b>54,201</b>	<b>25,925</b>	<b>49,401</b>	<b>42,864</b>	<b>39,138</b>	<b>47,076</b>	<b>48,125</b>	<b>48,973</b>	<b>633,584</b>
<b>Grand Total</b>				<b>678,022</b>	<b>593,765</b>	<b>491,780</b>	<b>449,550</b>	<b>444,768</b>	<b>447,304</b>	<b>460,245</b>	<b>494,456</b>	<b>381,899</b>	<b>422,680</b>	<b>4,864,470</b>

## Funding Impact Statement — rating mechanisms (Rating Policy)

### Rates

Rates fund local government activities. The purpose of the Rating Policy is:

- To clarify how properties are categorised for rating purposes.
- To provide guidance on how Council allocates its rates requirements across differing property categories.
- To provide information to ratepayers about their rates.
- To establish clarity, certainty, and stability in allocating rates.
- To assist in setting rates lawfully, meeting the requirements of the Local Government Act 2002 (LGA 2002), the Local Government (Rating) Act 2002 (LGRA 2002) and the Rating Valuation Act 1998 (RVA 1998).

The rating policy should be read in conjunction with the Revenue and Financing Policy, the Funding Impact Statement, the Rates Resolution and Rates Remission and Postponement Policies.

### Rating Units & Property Values

#### Rating Units

The unit of liability for rates is referred to as the rating unit. It is based on the concept of property ownership and generally one certificate of title is equal to one rating unit.

How properties are rated is determined by Council but the tools available to Council about how properties can be rated is set out in the LGRA 2002. This includes the kinds of rates that can be set and how they can be set. Rating units can be divided and rated separately at Council's discretion. This will occur where it is clearly identified that each part of a rating unit has a different property category.

#### Property Values

Property Value Values used for rating are determined by the RVA 2008 and are reviewed once every three years or if there is a significant change in a rating unit. Council is provided with three values: The land value, the improvement value and the sum of these being the capital value.

### General Rates & Differential Rating Categories

#### General Rates

General rates are set under section 13 of the Act on all rateable rating units in the City of Wellington. The Council has set a general rate based on the capital value of each rating unit within the city.

The general rate is set on a differential basis, based on the use to which the land is put and/or the zoning. All rating units (or part thereof) will be classified for the purposes of general rates within one of the following differential rating categories.

#### Differentials

Differentials are a tool used to alter the incidence of rates. Differentials are used for the general rate. The value-based general rate is set on capital value and on a differential basis. Total rates revenue collected from the general rate for each rating category are detailed in the Funding Impact Statement.

There are three differential rating categories. These are as follows:

### **Base Differential**

The Base differential rating category shall be applied to the following rating units:

- a. Separately rateable land used for one or more household units; excluding those properties that provide short stay (28 days or less) commercial accommodation for which a tariff is charged.
- b. Vacant land and derelict buildings, not subject to the vacant land / derelict buildings differential, zoned residential.
- c. Land used as farmland and lifestyle blocks which is included in the rural activity area in the District Plan.  
Farmland is defined as land used exclusively or principally for agricultural, horticultural, pastoral, or silvicultural purposes, or for the keeping of bees or poultry or other livestock but excluding commercial dog kennels or catteries.
- d. Separately rateable land occupied by a charitable organisation which is deemed by the Council to be used exclusively or principally for sporting, recreation, or community purposes and that does not generate any private pecuniary benefit.

### **Commercial, Industrial and Business Differential**

The Commercial, Industrial and Business differential rating category shall be applied to the following rating units:

- e. Separately rateable land used for a commercial or industrial purpose.
- f. Vacant land and derelict buildings, not subject to the vacant land / derelict buildings differential, zoned commercial, industrial, or business.
- g. Land used for offices, administrative and/or associated functions.
- h. Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay (28 days or less) accommodation.
- i. Business-related premises used principally for private pecuniary benefit.
- j. Any rating unit not otherwise categorised within the Base Differential.

### **Vacant Land / Derelict Building Differential**

***Vacant land / derelict buildings*** means land with an area of not less than 40m<sup>2</sup> in the Downtown area (as defined for the purposes of the Downtown Targeted Rate) which is either vacant or which contains a building or other improvements which are derelict, and includes:

*Land which is undeveloped and is not under active development;*

- a. *Land which has no active or consented use (land will be treated as having a consented use if there is a current approved resource consent for development on it);*

- b. Land which comprises a building or other improvements which:
- (i) are unoccupied and/or in a poor state of repair because they have not been lived in or used for a substantial period of time;
  - (ii) have been determined to be dangerous, affected, or insanitary for the purposes of Part 6 of the Building Act 2004, or earthquake prone for the purposes of Part 6A of the Building Act 2004.

*Note: a building will not be treated as derelict if there is a current approved building consent for development or demolition of the building [and work has commenced, or progress towards commencing work can be demonstrated to the Council].*

### **Differential Rating Category Conditions**

- The differential apportionment for the Commercial, Industrial and Business differential is 3.7 times the rate per dollar of capital value payable by those properties incorporated under the Base differential.
- The differential apportionment for the Vacant land differential is 4.5 times the rate per dollar of capital value payable by those properties incorporated under the Base differential.
- The differential apportionment for the Derelict land differential is 4.5 times the rate per dollar of capital value payable by those properties incorporated under the Base differential.
- Where a rating unit has more than one land use the rating unit may be 'divided' so that each part may be differentially rated based on the land use of each part.

A rating unit will be differentially rated where a division of the rating unit is established, based on the use to which the land is put and/or the zoning. A division will be established where:

- a rating unit has a value of greater than \$1,500,000 or
- the minority use(s) account for more than 30 percent of the total capital value of the rating unit

If neither of these criteria are met no division will take place, and the rating category will be established on the primary use of the rating unit.

- In any other case, the general rate differential is determined by principal use.
- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a building consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:
  - a) The time at which the Council gives final approval of the completed works, or
  - b) The property is deemed (by the Council) to be available for its intended use.



- In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.
- The differential rating category of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential rating category during a rating year will apply from 1 July of the following rating year.
- Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Act, will be first classified under the appropriate general rate differential classifications and the non-rateability applied to that rate.

### **Uniform Annual General Charge**

The Council does not assess a uniform annual general charge.

## **NON-RATEABLE LAND**

### **Fully Non-Rateable**

Any land referred to in Part 1, Schedule 1 of the Act is non-rateable with the exception of targeted rates solely for sewerage and water where the service is provided.

### **50 Percent Non-Rateable**

All land referred to in Part 2, Schedule 1 of the Act is 50 percent non-rateable in respect of the rates that apply, with the exception of targeted rates for sewerage and water for which the land is fully rateable if the service is provided.

## **Targeted Rates**

Targeted rates are set under section 16, 17, 18 and 19, and schedules 2 and 3 of the Act. The Council has not adopted any lump sum contribution schemes under part 4A of the Act in respect of its targeted rates and will not accept lump sum contributions in respect of any targeted rate.

The differential rating categories described above are unitised and referred to in a number of targeted rates.

### **Sewerage Targeted Rate**

Targeted sewerage rates are to be apportioned 60 percent:40 percent of rates between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the cost of the provision and maintenance of the sewage collection and disposal network, and sewage treatment facilities for the city. This rate is assessed on all rating units connected to the public sewerage drain.

For the purposes of these rates, the sewage collection and disposal and treatment service is treated as being provided to a rating unit if the rating unit is connected to a public sewerage drain (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Act.

Sewerage targeted rate is calculated as follows:

*For rating units incorporated in the Commercial, Industrial and Business differential rating category:*

A rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 40 percent of the required rates funding, after having deducted the total dollar amount budgeted to be collected through Trade Waste Charges (excluding consent fees).

*For rating units incorporated in the Base differential rating category:*

A fixed amount per annum per rating unit, plus a rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 60 percent of the required rate funding.

## **Water Targeted Rate**

A targeted rate for water is to be apportioned with the aim of achieving a 60 percent: 40 percent split between properties incorporated under the Base differential rating category and the Commercial, Industrial and Business differential rating category in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of water collection and treatment facilities, the water distribution network and water conservation for the city. This rate is assessed on all rating units connected to the public water supply.

For the purposes of these rates, the water service is treated as being provided to a rating unit if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatorily non-rateable or 50 percent non-rateable under Schedule 1 of the LGRA 2002. Water targeted rate is calculated as follows:

*For rating units incorporated in the Commercial, Industrial and Business differential rating category, either:*

- a) A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit; or
- b) A rate per dollar of capital value on all rating units connected to the public water supply, without a water meter installed.

The 40% of costs funded through the Commercial sector is drawn from a targeted rate primarily through a consumption charge per cubic metre of water consumed. The balance of commercial properties without a water meter, pay their share of the targeted rate through a rate per dollar of capital value. *The* fixed amount reflects the fixed cost component of funding these activities.

*For rating units rated incorporated in the Base differential rating category, either:*

- a) A consumption unit rate per cubic metre of water used for all rating units connected to the public water supply with a water meter installed, plus a fixed amount per annum per rating unit; or
- b) A fixed amount per annum per rating unit, plus a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed.

The 60% residential share is funded through a targeted rate. The majority of properties (those that do not have a water meter) are charged a fixed amount, to reflect the fixed cost component of funding these activities, with the balance of the sector share funded through a rate per dollar of capital value. Those properties that have elected to have a water meter contribute to the targeted rate through a consumption charge.

### **Stormwater Targeted Rate**

A targeted stormwater rate is to be apportioned 77.5 percent to the non-rural rating units incorporated under the Base differential and 22.5 percent to the non-rural rating units incorporated under the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate is set to pay for the provision and maintenance of the stormwater collection/disposal network for the city. Properties classified in the rural area in the Council's District Plan are excluded from the liability of this rate. Stormwater targeted rate is calculated as follows:

*For the Commercial, Industrial and Business differential rating category:*

A rate per dollar of rateable capital value to collect 22.5 percent of the required rates funding.

*For the Base differential rating category:*

A rate per dollar of rateable capital value to collect 77.5 percent of the required rates funding.

### **Base Sector Targeted Rate**

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category.

This incorporates the following activities:

- 100 percent of the facilitation of cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 95 percent of the provision of community centres and halls activities.

This rate is assessed on all properties incorporated in the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

## **Commercial Sector Targeted Rate**

This rate is set to pay for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated in the Commercial, Industrial and Business differential rating category.

This incorporates the following activity:

- Approximately 30 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues. This is the equivalent of 100 percent funding of the events attraction and support activity within WREDA.

This rate is assessed on all properties incorporated in the Commercial, Industrial and Business differential rating category and is calculated on a rate per dollar of rateable capital value.

## **Waste collection targeted Rate**

This rate is set to pay for our organics and rubbish collection using wheelie bins.

This rate is assessed on all properties incorporated in the base differential rating category, except for non-serviceable properties and calculated at a fixed amount per annum per rating unit.

While the service is primarily provided and limited to residential households, we will allow community facilities (e.g., clubs, marae) to opt in on a case-by case basis.

## **Downtown Targeted Rate**

This rate is set to pay for tourism promotion.

This incorporates the following activities:

- 50 percent of the cost of the Wellington Regional Economic Development Agency (WREDA) and Venues activities
- 40 percent of the cost of the Wellington Convention Centre activity
- 70 percent of the visitor attractions activity
- 25 percent of galleries and museums activity.

This rate is assessed on all properties incorporated in the Commercial, Industrial and Business differential rating category in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purposes of this rate, the downtown area refers to the area within the red boundary, as depicted on the following Downtown Targeted Rate map:

## Downtown Targeted Rate



### Tawa Driveways Targeted Rate

This rate is set to pay for the maintenance of a specified group of residential access driveways (properties with billing categories TW1, TW2 and TW3) in the suburb of Tawa, overseen by the Council.

This rate is assessed on a specific group of rating units that have shared access driveway that are maintained by Council.

The rate is calculated at a fixed amount per annum per rating unit.



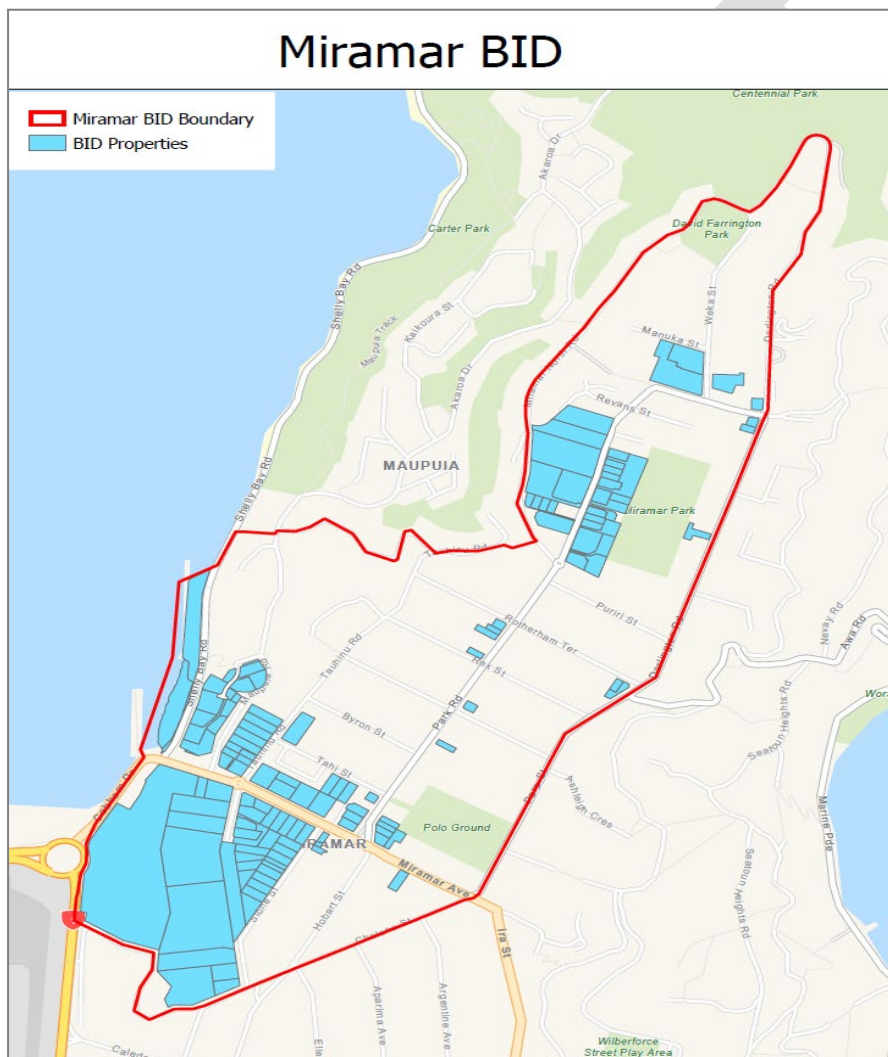
## Miramar Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of Enterprise Miramar Peninsula Incorporated.

This rate is set on all rating units within the Miramar Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with Enterprise Miramar Peninsula Incorporated.

for calculating the targeted rates are set out in our BID policy.

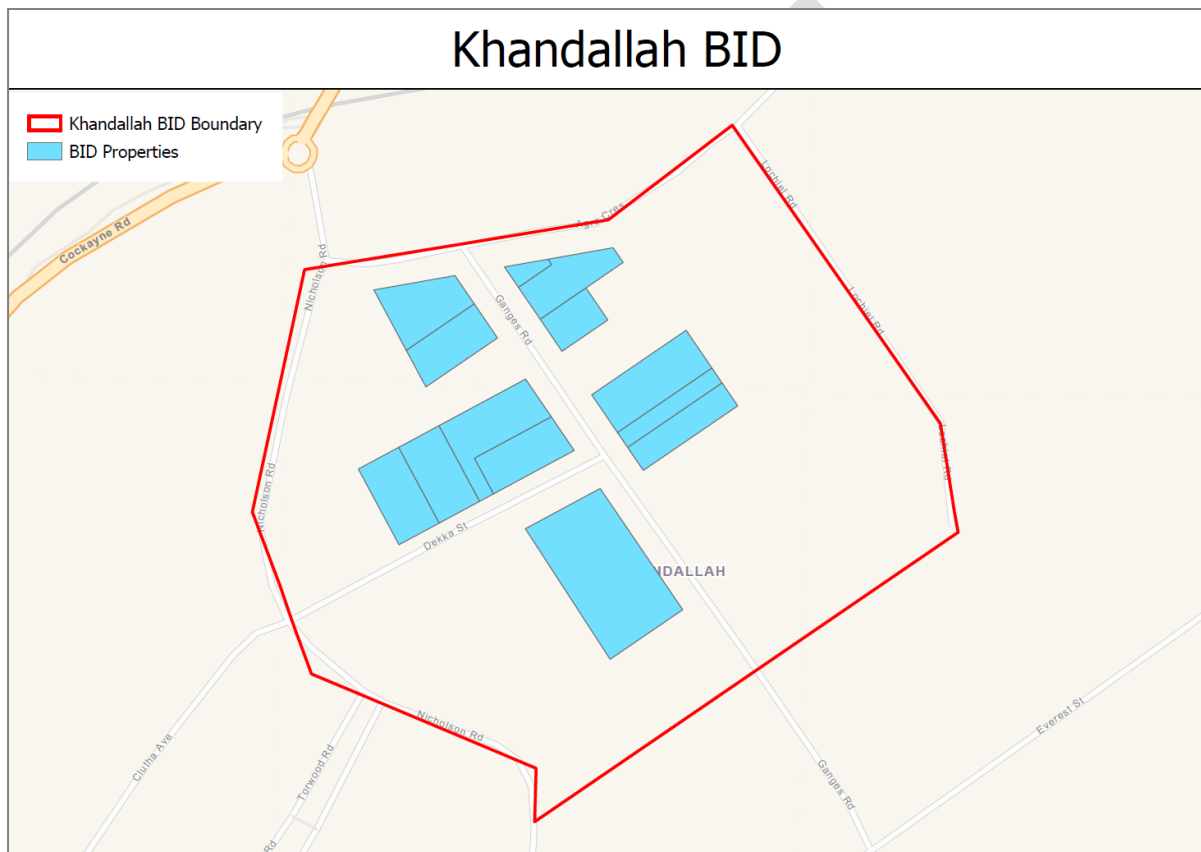


## Khandallah Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Khandallah Village Business Association.

This rate is assessed on all rating units within the Khandallah Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a rate per dollar of rateable capital value.





## Kilbirnie Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Kilbirnie Business Network.

This rate is set on all rating units within the Kilbirnie Business Improvement District (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with the Kilbirnie Business Network.

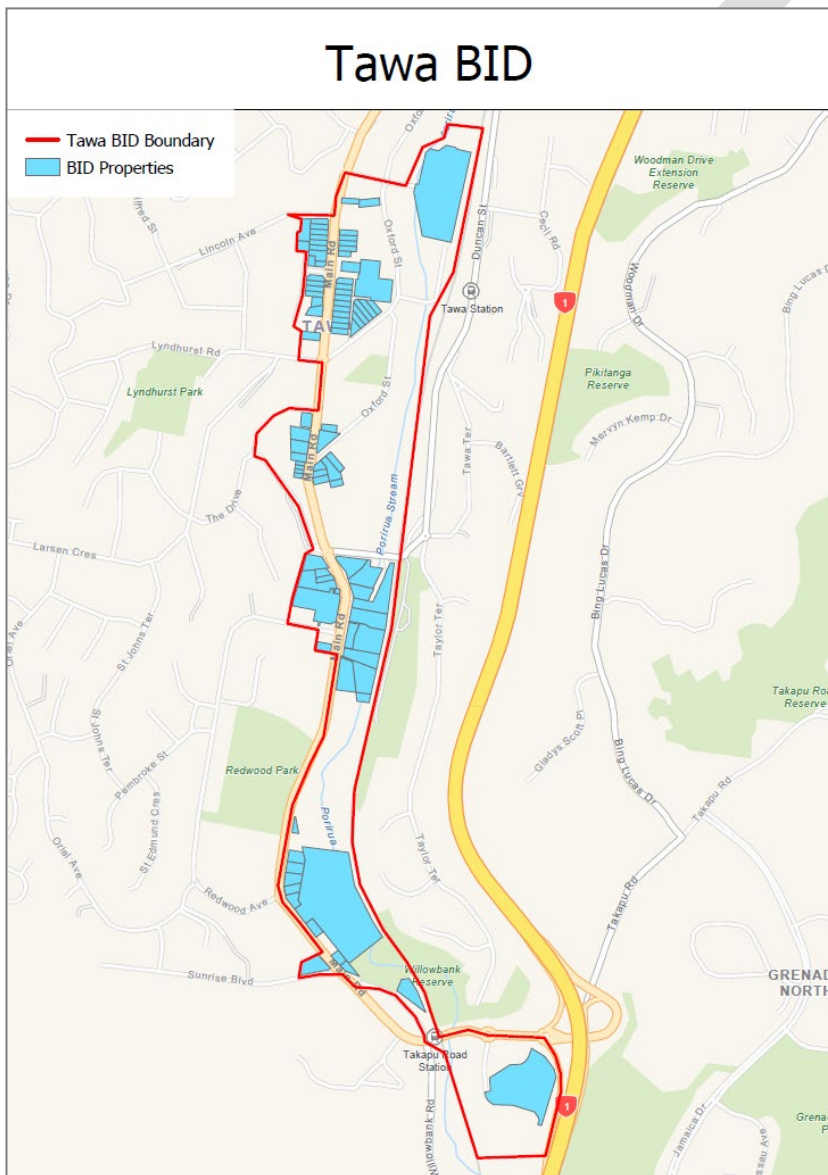


## Tawa Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Tawa Business Network.

This rate is assessed on all rating units within the Tawa Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with the Tawa Business Network.

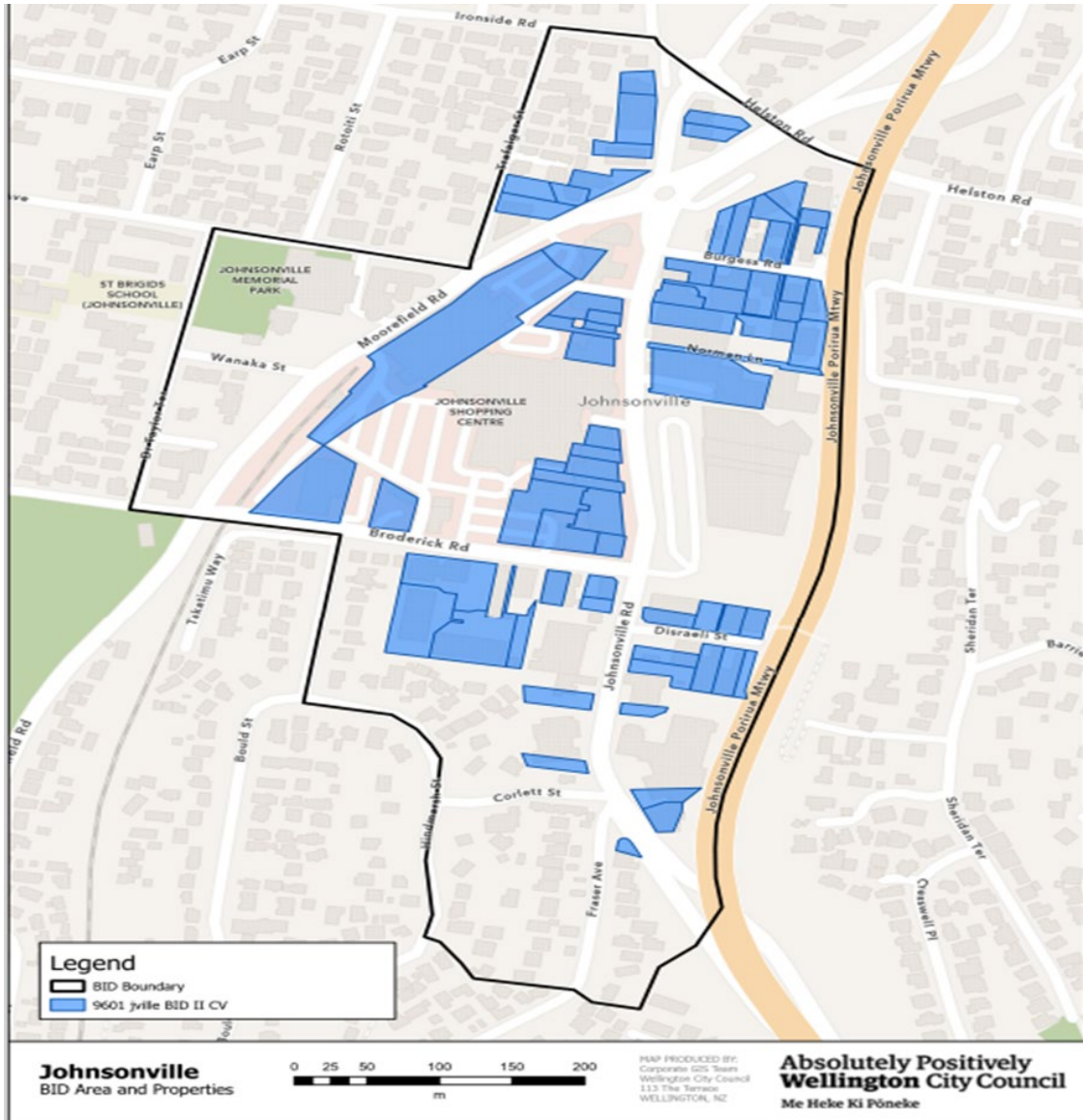


## Johnsonville Business Improvement District Targeted Rate

This rate is set by Council to fund the Business Improvement District activities of the Johnsonville Business Network.

This rate is assessed on all rating units within the Johnsonville Business Improvement District area (see map) which are subject to the Commercial, Industrial and Business differential rating category. Blue shaded properties subject to the BID are indicative only, as property use might change.

This rate is calculated as a fixed amount per rating unit, plus a rate per dollar of rateable capital value. Setting the fixed and variable rates components is done in consultation with the Johnsonville Business Network.



## 2024/25 Funding Impact Statement - Rates Funding Statement (excluding GST)

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate/charge*	Rates yield GST Exclusive
<b>General Rate</b>	Base	Capital Value	Base differential	\$95,798,143,000	ø0.192718	\$185,335,407
	Vacant	Capital Value	Vacant Land / Derelict Buildings Differential	\$35,092,641	ø0.953607	\$334,646
	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential	\$19,905,313,000	ø0.706490	\$141,365,082
	<b>TOTAL</b>					<b>\$327,035,135</b>
<b>Sewerage targeted rate</b>	Base	Fixed amount / rating unit	Base differential per connection status	72028 properties	\$147.01	\$10,589,090
		Capital Value	Base differential per connection status	\$101,363,556,037	ø0.036507	\$37,005,024
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential per connection status	\$17,358,975,174	ø0.177321	\$30,781,144
	<b>TOTAL</b>					<b>\$78,375,258</b>
<b>Water targeted rate</b>	Base	Fixed amount / rating unit	Base differential per connection status without a water meter	62771 properties	\$291.71	\$18,310,928
		Capital Value	Base differential per connection status without a water meter	\$85,237,975,898	ø0.034736	\$29,608,210
	Base	Consumption unit charge	Base differential per connection status with a water meter	n/a	4.76/ m3	\$1,144,091
		Fixed amount / rating unit	Base differential per connection status with a water meter	n/a	\$237.07	\$148,880
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential per connection status without a water meter	\$1,081,140,593	ø0.425457	\$4,599,788
	Commercial, Industrial & Business	Consumption unit charge	Commercial, industrial and business differential per connection status with a water meter	n/a	4.76/ m3	\$27,458,196
		Fixed amount / rating unit	Commercial, industrial and business differential per connection status with a water meter	n/a	\$237.07	\$750,089
	<b>TOTAL</b>					<b>\$82,020,184</b>

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate/charge*	Rates yield GST Exclusive
<b>Stormwater targeted rate</b>	Base	Capital Value	Base differential (excluding land defined in the rural activity area)	\$95,877,822,525	₪0.027596	\$26,458,259
	Commercial, Industrial & Business	Capital Value	Commercial, industrial and business differential (excluding land defined in the rural activity area)	\$18,096,235,191	₪0.042448	\$7,681,430
	<b>TOTAL</b>					<b>\$34,139,689</b>
<b>Base sector targeted rate</b>	Base	Capital Value	Base differential	\$97,309,028,893	₪0.017781	<b>\$16,995,351</b>
<b>Commercial sector targeted rate</b>	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential	\$20,084,750,061	₪0.025729	<b>\$5,099,788</b>
<b>Downtown targeted rate</b>	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the downtown area	\$13,498,098,445	₪0.127725	<b>\$17,028,162</b>
<b>Tawa driveways targeted rate</b>	Base	Fixed amount / rating unit	Shared residential access driveways maintained by Council in the suburb of Tawa (extent of provision of service)	257 properties	\$133.33	<b>\$34,266</b>
<b>Karori Business Improvement District targeted rate</b>	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the Karori Business Improvement District area	\$73,820,104	₪0.081279	<b>\$60,000</b>
<b>Khandallah Business Improvement District targeted rate</b>	Commercial, Industrial & Business	Capital Value	Commercial, industrial & business differential located in the Khandallah Business Improvement District area	\$27,600,964	₪0.072461	<b>\$20,000</b>
<b>Kilbirnie Business Improvement District targeted rate</b>	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Kilbirnie Business Improvement District area	210 properties	\$500.00	\$105,000
		Capital Value	Commercial, industrial & business differential located in the Kilbirnie Business Improvement District area	\$604,702,172	₪0.007442	\$45,000
	<b>TOTAL</b>					<b>\$150,000</b>
<b>Tawa Business Improvement District targeted rate</b>	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Tawa Business Improvement District area	71 properties	\$520.00	\$36,920

Rate	Category	Factor	Differential Charge Type	Total Value of Factor	Rate/charge*	Rates yield GST Exclusive
		Capital Value	Commercial, industrial & business differential located in the Tawa Business Improvement District area	\$197,614,000	ø0.029391	\$58,080
	<b>TOTAL</b>					<b>\$95,000</b>
<b>Miramar Business Improvement District targeted rate</b>	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Miramar Business Improvement District area	126 properties	\$365.00	\$45,990
		Capital Value	Commercial, industrial & business differential located in the Miramar Business Improvement District area	\$420,909,079	ø0.011008	\$46,334
	<b>TOTAL</b>					<b>\$92,324</b>
<b>Johnsonville Business Improvement District targeted rate</b>	Commercial, Industrial & Business	Fixed amount / rating unit	Commercial, industrial & business differential located in the Johnsonville Business Improvement District area	79 properties	\$520.00	\$42,120
		Capital Value	Commercial, industrial & business differential located in the Johnsonville Business Improvement District area	\$266,555,976	ø0.019838	\$52,880
	<b>TOTAL</b>					<b>\$95,000</b>
<b>TOTAL RATES REQUIREMENT (excluding GST)</b>						<b>\$ 561,240,158</b>

\*Note:

When rates for 2024/25 are assessed, GST will be applied to the final rates. The total rates requirement includes rates remissions but excludes rates penalties which are budgeted separately. The total rates requirement (excluding GST) differs from the revenue from rates in Forecast Statement of Comprehensive Revenue and Expense as the revenue from rates includes penalties not included in this statement.

## Rates Increases

	2025				Year on Year % change		
	Commercial	Vacant *	Base	total	Commercial	Base	total
General Rate	141,365,082	334,646	185,335,407	327,035,135	13.97%	14.73%	14.51%
Water Rate	32,808,073		49,212,109	82,020,182	19.85%	19.85%	19.85%
Sewerage Rate	30,781,144		47,594,114	78,375,258	21.70%	21.12%	21.35%
Stormwater rate	7,681,430		26,458,259	34,139,689	32.90%	32.89%	32.89%
Targeted Service rate	5,099,788		16,995,351	22,095,139	-2.23%	36.76%	25.23%
Downtown Levy	17,028,162		0	17,028,162	-1.97%		-1.97%
BIDs & Tawa Driveways	512,324		34,266	546,590	0.35%	0%	0.33%
<b>Total</b>	<b>235,276,004</b>	<b>334,646</b>	<b>325,629,507</b>	<b>561,240,158</b>	<b>14.44%</b>	<b>18.72%</b>	<b>16.96%</b>
Growth per sector					0.60%	0.60%	0.60%
<b>Rates increase per sector after growth</b>					13.84%	18.12%	16.36%

Note: \* Vacant / Derelict buildings pay either commercial or residential targeted rates, as applicable.

## Indicative rates

The following table shows the indicative residential and commercial property rates inclusive of GST for a selection of billing categories, based on the 2024/25 budget:

Indicative residential property (for properties without a water meter)			Indicative suburban commercial property rates (for properties with a water meter)*			Indicative downtown commercial property rates (for properties with a water meter)*		
Capital Values	2024/25 Proposed Rates	Increase over 2023/24	Capital Values	2024/25 Proposed Rates	Increase over 2023/24	Capital Values	2024/25 Proposed Rates	Increase over 2023/24
400,000	1,927	18.35%	1,000,000	11,221	14.63%	1,000,000	12,689	12.27%
500,000	2,283	18.24%	1,250,000	13,957	14.61%	1,250,000	15,794	12.24%
600,000	2,639	18.16%	1,500,000	16,694	14.59%	1,500,000	18,898	12.22%
700,000	2,995	18.10%	1,750,000	19,431	14.58%	1,750,000	22,002	12.20%
800,000	3,350	18.06%	2,000,000	22,168	14.57%	2,000,000	25,106	12.19%
900,000	3,706	18.02%	2,250,000	24,905	14.56%	2,250,000	28,210	12.18%
1,000,000	4,062	17.99%	2,500,000	27,642	14.56%	2,500,000	31,314	12.18%
1,100,000	4,418	17.96%	2,750,000	30,379	14.55%	2,750,000	34,419	12.17%
1,200,000	4,773	17.94%	3,000,000	33,116	14.55%	3,000,000	37,523	12.17%
1,300,000	5,129	17.92%	3,250,000	35,853	14.55%	3,250,000	40,627	12.16%
1,400,000	5,485	17.90%	3,500,000	38,590	14.54%	3,500,000	43,731	12.16%
1,500,000	5,841	17.89%	3,750,000	41,327	14.54%	3,750,000	46,835	12.16%
1,600,000	6,196	17.87%	4,000,000	44,064	14.54%	4,000,000	49,939	12.15%
1,700,000	6,552	17.86%	4,250,000	46,801	14.54%	4,250,000	53,044	12.15%
1,800,000	6,908	17.85%	4,500,000	49,538	14.54%	4,500,000	56,148	12.15%
1,900,000	7,264	17.84%	4,750,000	52,275	14.53%	4,750,000	59,252	12.15%
2,000,000	7,619	17.83%	5,000,000	55,012	14.53%	5,000,000	62,356	12.15%

\*Excludes water which is charged based on consumption

## Projected property information

Projected property information at 30 June 2024	
Rating Units	82,126
Capital Value	124,698,143,437
Land value	79,239,543,801



**FUNDING IMPACT STATEMENT  
FOR WHOLE OF COUNCIL**

	2024/25 LTP \$000s	2025/26 LTP \$000s	2026/27 LTP \$000s	2027/28 LTP \$000s	2028/29 LTP \$000s	2029/30 LTP \$000s	2030/31 LTP \$000s	2031/32 LTP \$000s	2032/33 LTP \$000s	2033/34 LTP \$000s
<b>Sources of operating funding</b>										
General rates, uniform annual general charges, rates penalties	328,319	368,278	382,625	405,069	429,721	452,614	480,870	496,421	515,432	534,999
Targeted rates (other than a targeted rate for water supply)	234,171	257,589	328,920	352,042	375,175	394,377	414,539	437,826	459,543	483,556
Subsidies and grants for operating purposes	20,813	17,916	18,126	18,649	19,084	19,464	19,818	20,148	20,433	20,688
Fees and charges	196,668	207,947	211,480	218,208	225,167	230,178	235,950	241,471	246,314	251,005
Interest and dividends from investments	10,500	14,800	19,100	22,165	24,765	28,200	29,300	29,400	29,565	30,165
Local authorities fuel tax, fines, infringement fees, and other receipts	9,622	9,838	9,844	9,844	9,844	9,844	9,844	9,844	9,844	9,844
<b>Total operating funding (A)</b>	<b>800,092</b>	<b>876,368</b>	<b>970,094</b>	<b>1,025,977</b>	<b>1,083,756</b>	<b>1,134,676</b>	<b>1,190,320</b>	<b>1,235,109</b>	<b>1,281,132</b>	<b>1,330,257</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	547,140	568,760	598,873	619,168	636,018	655,732	674,392	695,874	715,515	734,911
Finance costs	72,442	74,927	84,941	93,017	100,452	107,883	115,562	126,646	128,355	130,489
Other operating funding applications	59,040	65,301	65,771	64,110	55,470	53,529	54,247	54,688	55,101	55,448
<b>Total applications of operating funding (B)</b>	<b>678,622</b>	<b>708,989</b>	<b>749,584</b>	<b>776,295</b>	<b>791,939</b>	<b>817,144</b>	<b>844,202</b>	<b>877,207</b>	<b>898,971</b>	<b>920,848</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>121,470</b>	<b>167,379</b>	<b>220,510</b>	<b>249,682</b>	<b>291,817</b>	<b>317,532</b>	<b>346,118</b>	<b>357,902</b>	<b>382,161</b>	<b>409,409</b>
<b>Sources of capital funding</b>										
Subsidies and grants for capital expenditure	187,740	153,807	99,966	50,191	46,290	33,237	34,636	34,130	34,387	32,090
Development and financial contributions	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Increase (decrease) in debt	340,419	234,622	152,447	144,795	94,354	91,787	75,117	97,937	(39,287)	(54,983)
Gross proceeds from sales of assets	23,410	34,620	15,700	2,000	9,990	2,000	2,000	2,000	2,000	34,000
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>555,068</b>	<b>426,549</b>	<b>271,613</b>	<b>200,485</b>	<b>154,134</b>	<b>130,524</b>	<b>115,252</b>	<b>137,567</b>	<b>600</b>	<b>14,608</b>
<b>Applications of capital funding</b>										
Capital expenditure										
- to meet additional demand	75,401	72,261	74,537	82,551	47,117	45,801	27,183	40,531	28,127	38,247
- to improve level of service	368,303	284,173	153,985	64,347	93,709	121,728	184,003	195,364	119,444	164,898
- to replace existing assets	234,318	237,331	263,258	302,652	303,942	279,775	249,059	258,560	234,328	219,536
Increase (decrease) in reserves	(1,484)	163	342	617	1,183	753	1,126	1,013	862	1,337
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>676,538</b>	<b>593,928</b>	<b>492,123</b>	<b>450,168</b>	<b>445,951</b>	<b>448,057</b>	<b>461,371</b>	<b>495,469</b>	<b>382,760</b>	<b>424,017</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(121,470)</b>	<b>(167,379)</b>	<b>(220,510)</b>	<b>(249,682)</b>	<b>(291,817)</b>	<b>(317,532)</b>	<b>(346,118)</b>	<b>(357,902)</b>	<b>(382,161)</b>	<b>(409,409)</b>
<b>Funding balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenses for this activity grouping include the following depreciation/amortisation charge</b>										
	222,636	246,396	274,748	308,697	339,295	365,261	394,998	412,227	434,427	466,041
Internal charges and overheads recovered	43,621	46,515	47,848	46,962	48,818	49,277	50,345	49,306	49,945	50,594
Internal charges and overheads applied	28,158	31,279	32,031	32,804	33,592	34,359	35,185	36,077	36,944	37,831
<b>Total of internal charges</b>	<b>15,463</b>	<b>15,236</b>	<b>15,817</b>	<b>14,157</b>	<b>15,226</b>	<b>14,918</b>	<b>15,160</b>	<b>13,229</b>	<b>13,001</b>	<b>12,763</b>

# ACTIONS TRACKING AND FORWARD PROGRAMME

## Kōrero taunaki | Summary of considerations

### Purpose

1. This report provides an update on past actions agreed by the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee (the Committee), or its equivalent, at its previous meetings (hui).
2. Additionally, this report provides a list of items that are scheduled to be considered at the next two hui of the Committee.

### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

### Strategic alignment with priority objective areas from Long-term Plan 2021–2031

### Relevant Previous decisions

Not applicable.

### Financial considerations

- Nil       Budgetary provision in Annual Plan / Long-term Plan       Unbudgeted \$X

### Risk

- Low       Medium       High       Extreme

Author	Leteicha Lowry, Democracy Advisor
Authoriser	Sean Johnson, Democracy Team Leader Stephen McArthur, Chief Strategy & Governance Officer

## Taunakitanga | Officers' Recommendations

Officers recommend the following motion:

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

1. Receive the information.

## Whakarāpopoto | Executive Summary

### Actions Tracking

3. The Committee passed 68 resolutions in Hui-tanguru 2024 (February 2024):

- 64 are complete and 4 are still in progress.
4. The Committee had 35 in progress actions carried forward from previous action tracking reports:
- 26 are complete and 9 are still in progress.

#### **Forward Programme**

5. The following items are scheduled to go to the Committee's next two hui:
- Rāapa, 10 Pāenga-whāwhā 2024 (Wednesday, 10 April 2024):
- LTP 2024 - Adoption of the Consultation Document (Chief Financial Officer)
  - CAB and MOB redevelopment (Chief Operating Officer)
- Rāpare, 9 Haratua 2024 (Thursday, 9 May 2024)
- LTP Hearings/Forums (Chief Strategy and Governance Officer)

### **Takenga mai | Background**



#### **Actions Tracking**

6. Attachment 1 lists clauses agreed by the Committee that are still in progress, and attachment 2 lists clauses that have been completed since actions were last reported on.
7. For public excluded resolutions, individual clauses will not be reported on in a public hui. An overall status for the item will be given and it will remain in progress until all clauses are complete.
8. If members have questions about actions, then the best place to ask is through the written Q&A process.
9. Actions will be removed from the list once they have been reported as complete.
10. Where applicable, this report contains actions carried over from the equivalent committee(s) of previous trienniums.
11. The purpose of the actions tracking report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The Committee could resolve to receive a full update report on an item, if it wishes.

#### **Forward Programme**

12. The forward programme sets out the reports planned for to go to the Committee for consideration in the next two hui.
13. It is a working document and is subject to change on a regular basis.

### **Attachments**

- Attachment 1. In progress actions - Action Tracking   Page 364
- Attachment 2. Completed actions - Action Tracking   Page 366

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 9 November 2023	2529	2.1 Citizens' Assembly 2023	3	Note that officers will incorporate the Assembly's advice into the Long-term Plan throughout the development of the plan.	In progress	In progress- this will continue throughout the process of developing the LTP
Thursday, 9 November 2023	2531	2.1 Citizens' Assembly 2023	5	Agree to report back to the Citizens' Assembly on how their advice is incorporated into the Long-term Plan at key points in the development, including before and after formal consultation, and after adoption of the final plan.	In progress	Remains in progress until mid-July 2024.
Thursday, 9 November 2023	2532	2.1 Citizens' Assembly 2023	6	Note the evaluation of the Citizens' Assembly will be completed by the Council's Research and Evaluation team and reported back to this committee. a. The first phase will look at the process and immediate benefits and impacts b. The second phase will look at the longer-term impact on how the advice is or is not implemented and the impact on the community.	In progress	This is currently being written by the Research and Evaluation team.
Thursday, 9 November 2023	2549	2.4 2024-34 LTP - Level of service Recommendations	10	Instruct officers to work with our Tākai Here partners and Wellington Water to scope a blue network plan for the city to increase the health of our awa and support our storm water network renewal and growth (\$50K).	In progress	Scoping underway.
Thursday, 9 November 2023	2571	2.5 Balance Sheet Review	14	Note that in addition to the above sale and investment process, officers will propose a property acquisition and divestment policy to provide a framework for the future acquisition or disposal of Council property.	In progress	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2572	2.5 Balance Sheet Review	15	Direct officers to engage with Takai Here partners and consider their interests through the consultation process and also in preparation of a detailed plan for a sale and divestment process, should Council agree to proceed with sale of WIAL shares and ground leases.	In progress	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2573	2.5 Balance Sheet Review	16	Agree, that, if created, any investment fund would have strong Environmental, Social and Governance criteria and officers should provide advice on possible criteria for inclusion in the 2024-34 Long-term plan consultation	In progress	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2574	2.5 Balance Sheet Review	17	Agree that, should Council decide to set up a perpetual Investment Fund, it will include protections to safeguard from future withdrawals of capital to pay down debt or fund operating expenses in any circumstance unless related to the purpose of providing insurance cover in the event of a natural disaster.	In progress	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 7 December 2023	2766	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	3 c	Direct officers to monitor the implementation and impact of the differential for vacant land & derelict buildings and provide advice on the potential to expand its geographic coverage in the next 2-3 years.	In progress	Policy to be adopted with LTP
Thursday, 15 February 2024	2906	2.1 2024-34 LTP Draft Budget & Plan Report	11a	Include \$2.8 million in the CAPEX program for wastewater upgrades for a trunk sewer in the Kaiwharawhara stream in Ōtari-Wilton's Bush.	In progress	

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 15 February 2024	2907	2.1 2024-34 LTP Draft Budget & Plan Report	11b	Request that officers provide advice, subsequent to receiving the water meter planning advice from WWL, on options for conducting consultation on water meters in year 2 of the LTP, and start implementation of water meters from year 3 of the LTP.	In progress	
Thursday, 15 February 2024	2956	2.1 2024-34 LTP Draft Budget & Plan Report	26	Direct Council officers to provide advice on changing Council's accounting policy from 1 July 2024 to capitalise (as opposed to expense) interest on a portion of Council's debt for consideration by the Unanahi Māhirahira   Audit and Risk Subcommittee.	In progress	This advice will be provided at the next Audit and Risk Committee meeting
Thursday, 15 February 2024	2964	3. Public Excluded	2	Direct officers to consider the release of the publicly excluded information in this report after the appointments are complete.	In progress	

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 17 June 2021	296	4.1: Chaffers Marina Limited Options		All clauses	Completed	<p>Formal letter addressing some of the issues was received on 1st August 2023 from CML. In that letter they state that they are still working through the issues and need more time to come back to us on a number of the options we have presented.</p> <p>This is an ongoing discussion. Progress is being made although due to the complexity of the issues it is taking time to work through each one.</p> <p>WCC officers are however considering selling the individual marina berths we own. The last one sold in 2022 for circa \$110,000. Prices have since dropped due to the current economy.</p>
Thursday, 17 August 2023	1860	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	2	Agree to delay the review of the rating base (Land value or Capital value) until after the 2024/34 Long-term Plan. Recommendations following the review of the rating base will be used to inform the 2027/37 Long-term Plan.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 17 August 2023	1869	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	11	Agree to consider targeted funds for a Golden Mile transition fund and Affordable housing fund as part of the 2024/34 Long-term Plan.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 17 August 2023	1871	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	13	Agree to consider targeted rates for climate action and resilience as part of the LTP and signal this intent in the Statement of Proposal for consultation.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2548	2.4 2024-34 LTP - Level of service Recommendations	9	Note that further work is being done on options for levels of service for three waters and this will be brought back as part of the budgeting process in December 2023 and February 2024.	Completed	Committee workshop scheduled for 31 January 2024 and committee meeting 15 February 2024.
Thursday, 9 November 2023	2556	2.5 Balance Sheet Review	2	Note that the Council commissioned a review of the balance sheet constraints being experienced by the Council which recommended immediate action to mitigate the constraints. The recommendations for action included: a. Reviewing non-rates revenue, service levels & capex phasing or prioritisation; b. Considering rationalising the WCC investment portfolio; and c. Reviewing insurance & internal covenant settings.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio.
Thursday, 9 November 2023	2557	2.5 Balance Sheet Review	3	Note that a review of non-rates revenue, service levels and capital phasing or prioritisation is being considered as part of the preparation of the 2024-34 Long-term plan budgets, with the intent of managing rates affordability; managing the impact of increasing operating costs, such as interest, insurance and depreciation; and keeping debt at prudent and affordable levels.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2558	2.5 Balance Sheet Review	4	Note that through the Balance sheet review risks associated with the Council's current investment portfolio were raised, including: a. The lack of diversification; b. Geographic concentration exposing the investments to the same risks and economic cycles as all other Council assets; c. Exposure to climate change and natural hazards; d. Relatively illiquid and undiversified portfolio; and e. Poor alignment in some cases with the Council's strategic objectives.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio.

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 9 November 2023	2559	2.5 Balance Sheet Review	5	Note that through the Balance sheet review, risks associated with the Council's ability to insure its assets were highlighted including: a. The insurance market is reducing its exposure to Wellington, causing difficulties in obtaining coverage; b. Building and infrastructure revaluations have increased the cost to replace assets, increasing premiums; c. The release of the new National Seismic Hazard Model has further increased the Probable Maximum Loss from a major event for many of the Council's assets; and d. Recent weather events across New Zealand have highlighted the reality of climate issues and increased the implied risk to New Zealand cities and their residents, this is playing out in increased premiums.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio.
Thursday, 9 November 2023	2560	2.5 Balance Sheet Review	6	Agree, as part of the 2024-34 Long-term plan consultation, to consult with the public, with Council's preferred option being the establishment of a perpetual investment fund, initially funded through asset recycling, to: a. Ensure sufficiently liquid funds are available to mitigate any losses or assist recovery from natural disasters; b. Tailor holdings to reflect Council's risk tolerance; c. Reduce geographic concentration of assets (meaning not all assets are subject to the same disaster risks); d. Introduce new revenue sources; e. Better achieve social or environmental outcomes as the Council sets parameters for what the perpetual investment fund will invest in; and f. Improve intergenerational wellbeing through the building of investment wealth and reduced reliance on future borrowing.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2564	2.5 Balance Sheet Review	7	Agree in order to provide capital to establish a perpetual investment fund, Council's preferred option (for consultation through the 2024-34 Long Term Plan) will be: a. the sale of Council's 34% holding in Wellington International Airport Limited; and b. the sale of some or all of Council's ground lease portfolio.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2565	2.5 Balance Sheet Review	8	Agree that the proposal for consultation specifies that the proceeds of any sale of WIAL shares and ground leases would not be used to paydown debt or fund operating expenses as these uses do not meet the Council's objectives in recommendation 6 above and may simply exacerbate long-term balance sheet issues.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2566	2.5 Balance Sheet Review	9	Note that the consultation document for the 2024-34 Long Term Plan will be drafted using these preferred options (together with an analysis of all of the reasonably practicable options), for approval by Council in early 2024.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 9 November 2023	2567	2.5 Balance Sheet Review	10	Note that other Councils have successfully established perpetual investment funds (e.g., New Plymouth District Council and Dunedin City Council) so the Council can be confident there are good precedents to follow.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2568	2.5 Balance Sheet Review	11	Note that, while the Council has recently considered the issue of sale of WIAL shares in 2021, the deterioration of the Council's insurance and wider balance sheet position since then necessitates reconsidering this issue.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2569	2.5 Balance Sheet Review	12	Note that if the Council does not decide to establish a perpetual investment fund, for the purposes set out in recommendation 6 above, then the risks identified in recommendations 4 and 5 above would remain and be accepted by the Council.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2570	2.5 Balance Sheet Review	13	Note that a detailed plan to undertake any possible sale and investment process would not take place until the Council has received and considered feedback as part of the 2024-34 long-term plan process.	Completed	This work is ongoing and is informing further workstreams relating to the Council's investment portfolio, including the preparation of consultation materials.
Thursday, 9 November 2023	2584	2.6 Council submission on the Draft National Policy Statement for Natural Hazard Decision-making	4	Note that Councilors will be briefed on the Independent Hearings Panel recommendations for natural hazard recommendations as part of the Proposed District Plan decisions in February 2024.	Completed	Will be completed after 27 Feb briefing.
Thursday, 7 December 2023	2763	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	3a	Approve in principle the updated draft Rating Policy, including agreeing changes to: a. Introduce a general rates differential of 5:1 on vacant land & for derelict buildings as defined in paragraph 40.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2765	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	3b	Increase the value threshold for properties with more than one land use from \$800k to \$1.5m.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2767	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	3d	Agree to increase the remission for low income ratepayers from a maximum value of \$700 (GST inclusive) to a maximum of \$800 (GST inclusive) to ratepayers who have successfully applied for the New Zealand government rates rebate.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2769	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	4a	Approve in principle the updated draft Rates Remission & Postponement Policy, including agreeing changes to: a. Remove the rates remission for first home builders because it is not achieving its policy objective.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2770	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	4b	Postpone general rates for Earthquake-Prone residential buildings that have body corporates or one- or two-story commercial/mixed use buildings for up to three years prior to the period in which the seismic strengthening is undertaken. After completion of the seismic strengthening work, the postponed rates will be remitted.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2771	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	4c	Agree to clarify that the remission of targeted rates for properties under development applies to both commercial and residential buildings that are not 'fit for purpose'.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2772	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	4d	Agree to the remission of the vacant land and derelict buildings differential where land is being activated to contribute to central city amenity, such as pop-up shops or art installations.	Completed	Policy to be adopted with LTP
Thursday, 7 December 2023	2775	2.3 Rating Policy Review Consultation Outcome & Updated Rating Policy	7	Agree to extend rates remissions for Māori freehold land to all types of Māori Land.	Completed	Policy to be adopted with LTP



Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 15 February 2024	2891	2.1 2024-34 LTP Draft Budget & Plan Report	1	Receive the information.	Completed	
				Note that the material presented in, and appended to this report, as well as the decisions from this Committee meeting will be used to finalise the LTP underlying information and draft Consultation Document that will be considered by the Committee on 13 March 2024.	Completed	
Thursday, 15 February 2024	2892	2.1 2024-34 LTP Draft Budget & Plan Report	2	Note that Audit NZ has committed to a schedule for the audit of the Consultation Document and supporting information to enable the Council to adopt the Consultation Document with an audit opinion on 10 April 2024.	Completed	
Thursday, 15 February 2024	2893	2.1 2024-34 LTP Draft Budget & Plan Report	3	Agree the draft Significant Forecasting Assumptions for the 2024-34 LTP as detailed in Attachment 1.	Completed	
Thursday, 15 February 2024	2894	2.1 2024-34 LTP Draft Budget & Plan Report	4	Note that assumptions will continue to be monitored, and if required, updated before the 2024-34 LTP is adopted.	Completed	
Thursday, 15 February 2024	2895	2.1 2024-34 LTP Draft Budget & Plan Report	5	Note that the draft LTP Activity Group Statements as outlined in Attachment 2 include an overview of our level of service by activity group, and the reprioritised capital programme agreed in principle by this Committee on 9 November 2023.	Completed	
Thursday, 15 February 2024	2896	2.1 2024-34 LTP Draft Budget & Plan Report	6	Agree the draft Infrastructure Strategy as detailed in Attachment 3.	Completed	
Thursday, 15 February 2024	2897	2.1 2024-34 LTP Draft Budget & Plan Report	7	Agree the draft Financial Strategy as detailed in Attachment 4 noting that the strategy includes:	Completed	
Thursday, 15 February 2024	2898	2.1 2024-34 LTP Draft Budget & Plan Report	8	a debt to revenue ratio limit of 225%; and	Completed	
Thursday, 15 February 2024	2899	2.1 2024-34 LTP Draft Budget & Plan Report	8a	an average rates increase limit of between 5-8% over the ten years of the plan.	Completed	
Thursday, 15 February 2024	2900	2.1 2024-34 LTP Draft Budget & Plan Report	8b	Request that officers investigate the options for Council to rate accommodation providers, such as AirBnB properties. This work should be completed as part of the next phase of the rating review scheduled to be completed during 2024/25.	Completed	
Thursday, 15 February 2024	2901	2.1 2024-34 LTP Draft Budget & Plan Report	8c	Request that officers engage with LGNZ and Central Government to investigate the feasibility of, and advocate for, legislative change to allow the Council to set congestion charges. Congestion charging could benefit the Council by raising income and reducing peak demand on the road network.	Completed	
Thursday, 15 February 2024	2902	2.1 2024-34 LTP Draft Budget & Plan Report	8d	Agree the draft Revenue and Financing Policy as detailed in Attachment 5.	Completed	
Thursday, 15 February 2024	2903	2.1 2024-34 LTP Draft Budget & Plan Report	9	Note that officers have worked with Wellington Water Limited to prepare a programme of work to increase investment and improve the performance of the three water networks over time.	Completed	
Thursday, 15 February 2024	2904	2.1 2024-34 LTP Draft Budget & Plan Report	10	Agree the Three Waters investment options for community consultation as part of the Consultation Document as outlined in Attachment 9 with the following changes:	Completed	
Thursday, 15 February 2024	2905	2.1 2024-34 LTP Draft Budget & Plan Report	11	Note that the recommended preferred option outlined in Attachment 9 reflects increased expenditure in our three water networks from:	Completed	
Thursday, 15 February 2024	2908	2.1 2024-34 LTP Draft Budget & Plan Report	12		Completed	

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 15 February 2024	2909	2.1 2024-34 LTP Draft Budget & Plan Report	12a	\$1.7b in the 2021-31 LTP to \$3.25b for the 2024-34 LTP (operating expenditure – including depreciation, interest, insurance, and possible other overhead costs)	Completed	
Thursday, 15 February 2024	2910	2.1 2024-34 LTP Draft Budget & Plan Report	12b	\$679m in the 2021-31 LTP to \$1.4b for the 2024-34 LTP (capital expenditure including sludge).	Completed	
Thursday, 15 February 2024	2911	2.1 2024-34 LTP Draft Budget & Plan Report	13	Agree additional capital project rephasing and reductions to manage debt constraints and allow for the additional three waters investment as follows:	Completed	
Thursday, 15 February 2024	2912	2.1 2024-34 LTP Draft Budget & Plan Report	13a	Kilbirnie Park – rephase capital investment for Kilbirnie Skate Park as outlined in the body of this report.	Completed	
Thursday, 15 February 2024	2913	2.1 2024-34 LTP Draft Budget & Plan Report	13c	Khandallah Pool – remove funding for the upgrade of the Khandallah Pool and provide funding for landscaping for the site as outlined in the body of this report.	Completed	
Thursday, 15 February 2024	2914	2.1 2024-34 LTP Draft Budget & Plan Report	13d	Transport – descope the Thorndon Quay/ Hutt Road transport improvements as outlined in the body of this report.	Completed	
Thursday, 15 February 2024	2915	2.1 2024-34 LTP Draft Budget & Plan Report	13e	Transport – rephasing of the Golden Mile as outlined in the body of this report.	Completed	
Thursday, 15 February 2024	2916	2.1 2024-34 LTP Draft Budget & Plan Report	13f	Transport – reprogramme delivery of City Streets programme as outlined in the body of this report.	Completed	
Thursday, 15 February 2024	2917	2.1 2024-34 LTP Draft Budget & Plan Report	13g	Waterfront – rephase Frank Kitts Park redevelopment funding as outlined in the body of this report.	Completed	
Thursday, 15 February 2024	2918	2.1 2024-34 LTP Draft Budget & Plan Report	13h	Waste – remove the initiative to create a new resource recovery hub from the current resource recovery business case and review the need for a new resource recovery hub in the next Long-Term Plan.	Completed	
Thursday, 15 February 2024	2919	2.1 2024-34 LTP Draft Budget & Plan Report	13i	Agree to bring forward the funding to upgrade Carrara Park toilets to year 2 of the LTP from year 4 of the LTP.	Completed	
Thursday, 15 February 2024	2920	2.1 2024-34 LTP Draft Budget & Plan Report	14	Note that in preparing the draft budget, a range of levers have been used to manage rates and debt within the parameters set in the Financial Strategy. This has included:	Completed	
Thursday, 15 February 2024	2921	2.1 2024-34 LTP Draft Budget & Plan Report	14a	Changes to fees and charges.	Completed	
Thursday, 15 February 2024	2922	2.1 2024-34 LTP Draft Budget & Plan Report	14b	Not rates funding depreciation on some of our assets.	Completed	
Thursday, 15 February 2024	2923	2.1 2024-34 LTP Draft Budget & Plan Report	14c	Selling some assets and using the proceeds to fund some operating expenses.	Completed	
Thursday, 15 February 2024	2924	2.1 2024-34 LTP Draft Budget & Plan Report	14d	Re-prioritising and rephasing the capital programme.	Completed	
Thursday, 15 February 2024	2925	2.1 2024-34 LTP Draft Budget & Plan Report	14e	Identifying additional level of service changes that deliver savings of \$7.0m from year one.	Completed	
Thursday, 15 February 2024	2926	2.1 2024-34 LTP Draft Budget & Plan Report	14f	Organisational savings of \$5.0m from year one.	Completed	
Thursday, 15 February 2024	2927	2.1 2024-34 LTP Draft Budget & Plan Report	15	Agree the level of service changes as outlined in Attachment 6, including:	Completed	
Thursday, 15 February 2024	2928	2.1 2024-34 LTP Draft Budget & Plan Report	15a	Waste – cease composting hub trials.	Completed	
Thursday, 15 February 2024	2929	2.1 2024-34 LTP Draft Budget & Plan Report	15b	Heritage – decrease heritage advisory services.	Completed	
Thursday, 15 February 2024	2931	2.1 2024-34 LTP Draft Budget & Plan Report	15c	Information – move to digital only publication (Our Wellington).	Completed	
Thursday, 15 February 2024	2932	2.1 2024-34 LTP Draft Budget & Plan Report	15d	Service – reduce graffiti budget.	Completed	
Thursday, 15 February 2024	2933	2.1 2024-34 LTP Draft Budget & Plan Report	15f	Library network (ii) – close Arapaki library along with closure of the Service Centre.	Completed	
Thursday, 15 February 2024	2934	2.1 2024-34 LTP Draft Budget & Plan Report	15g	Facility – revisit and sell Wadestown Community Centre.	Completed	

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 15 February 2024	2935	2.1 2024-34 LTP Draft Budget & Plan Report	15h	Data – alternative funding source for CCTV cameras.	Completed	
Thursday, 15 February 2024	2936	2.1 2024-34 LTP Draft Budget & Plan Report	15k	Events – discontinue annual fireworks.	Completed	
Thursday, 15 February 2024	2937	2.1 2024-34 LTP Draft Budget & Plan Report	15l	Property leasing - lease opportunities.	Completed	
Thursday, 15 February 2024	2938	2.1 2024-34 LTP Draft Budget & Plan Report	15m	Events – Include 2.3 million funding to Te Papa to host visitor attractions.	Completed	
Thursday, 15 February 2024	2939	2.1 2024-34 LTP Draft Budget & Plan Report	15n	Service – Include \$0.05 million funding for design and scoping of remediation work on Papawai Stream.	Completed	
Thursday, 15 February 2024	2940	2.1 2024-34 LTP Draft Budget & Plan Report	16	Agree the changes to the draft fees and user charges as outlined in Attachment 7 with the following changes:	Completed	
Thursday, 15 February 2024	2941	2.1 2024-34 LTP Draft Budget & Plan Report	16a	Include revenue in the LTP from the introduction of suburban centre parking fees, and request officers report back with more detailed information and options about the suburban centres including Tawa, Johnsonville, Newlands, Khandallah, Northland, Karori, Aro Valley, Kelburn, Newtown, Berhampore, Island Bay, Kilbirnie, Miramar and Rongotai that will have the fee introduced, including the hourly rate fee, and how this could be phased in.	Completed	
Thursday, 15 February 2024	2942	2.1 2024-34 LTP Draft Budget & Plan Report	16b	Paid suburban parking, including motorcycles, to be included within the primary consultation document and on the Let's Talk website.	Completed	
Thursday, 15 February 2024	2943	2.1 2024-34 LTP Draft Budget & Plan Report	17	Note that the draft budget has a closing debt balance (based on the capital programme) that exceeds our debt to revenue ratio limit (including insurance headroom) for the first two years of the 2024-34 LTP. From year 3 of the LTP, should the proposed establishment of a perpetual investment fund be approved, the debt to revenue ratio calculation would exclude the insurance headroom and the debt to revenue ratio limit would not be exceeded.	Completed	
Thursday, 15 February 2024	2944	2.1 2024-34 LTP Draft Budget & Plan Report	18	Note that the above recommendations for increased investment in three waters and other reductions and changes to the programme, delivers an average proposed rates increase (after growth) of 7% over the ten-year period, and a 15.4% rates increase after growth for the first year of the 2024-34 LTP, and a capital programme that exceeds Councils proposed debt limit over the first two years of this LTP.	Completed	
Thursday, 15 February 2024	2945	2.1 2024-34 LTP Draft Budget & Plan Report	19	Note that the estimated sludge levy for 2024/25 is an increase of approximately 1.6% over and above the draft rates increase.	Completed	
Thursday, 15 February 2024	2946	2.1 2024-34 LTP Draft Budget & Plan Report	20	Agree the draft budget as outlined in the Activity Reports (Operating and Capital) in Attachment 8 and note that these will be updated to reflect any decisions from this meeting with the following change:	Completed	
Thursday, 15 February 2024	2947	2.1 2024-34 LTP Draft Budget & Plan Report	20a	Increase our capital investment for water infrastructure for 2024/25 by rephasing \$10M to maintain 2023/24 levels of \$61m.	Completed	

Date	ID	Title	Clause number	Clause	Status	Comment
Thursday, 15 February 2024	2948	2.1 2024-34 LTP Draft Budget & Plan Report	21	Agree to use sale proceeds from the divestment of non-strategic assets to fund operating expenses for 2024/25 (Year 1) of the LTP. This is deemed financially prudent and in the community's interest to reduce the rates increase in Year 1.	Completed	
Thursday, 15 February 2024	2949	2.1 2024-34 LTP Draft Budget & Plan Report	22	Note that the draft budget includes further unfunded depreciation on assets that are unlikely to be replaced to reduce the rates increase over the ten years of the plan.	Completed	
Thursday, 15 February 2024	2950	2.1 2024-34 LTP Draft Budget & Plan Report	23	Note that, after consideration of Council's Significance and Engagement Policy and legislative requirements, the significant issues for the Consultation Document are:	Completed	
Thursday, 15 February 2024	2951	2.1 2024-34 LTP Draft Budget & Plan Report	23a	Investment levels in three waters (Attachment 9)	Completed	
Thursday, 15 February 2024	2952	2.1 2024-34 LTP Draft Budget & Plan Report	23b	Waste collection and funding changes (Attachment 10)	Completed	
Thursday, 15 February 2024	2953	2.1 2024-34 LTP Draft Budget & Plan Report	23c	Establishment of a Perpetual Investment Fund through the sale of airport shares (Attachment 11).	Completed	
Thursday, 15 February 2024	2954	2.1 2024-34 LTP Draft Budget & Plan Report	24	Agree the significant consultation issues and the options, including the preferred options, for each issue as outlined in Attachments 9 to 11.	Completed	
Thursday, 15 February 2024	2955	2.1 2024-34 LTP Draft Budget & Plan Report	25	Request officers to provide the amount from the proposed sale of Council's assets assumed in this LTP, and how the funds will be applied.	Completed	
Thursday, 15 February 2024	2957	2.2 Actions Tracking and Forward Programme	1	Receive the information.	Completed	
Thursday, 15 February 2024	2958	3.1 CCO Board Appointments	All clauses	All clauses	Completed	
Thursday, 15 February 2024	2963	3. Public Excluded	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: 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.	Completed	