
AGENDA

WEDNESDAY 28 AUGUST 2013

2.00PM

**Committee Room 1
Ground Floor, Council Offices
101 Wakefield St
Wellington**

MEMBERS:

Mayor Wade-Brown
Councillor Ahipene-Mercer
Councillor Best (Deputy Chair)
Councillor Cook
Councillor Coughlan
Councillor Eagle
Councillor Foster (Chair)
Councillor Gill
Councillor Lester
Councillor McKinnon
Councillor Marsh
Councillor Morrison
Councillor Pannett
Councillor Pepperell
Councillor Ritchie

NON VOTING MEMBERS:

A representative from the Port Nicholson Block Settlement Trust
A representative from Te Runanga o Toa Rangatira Incorporated

NOTE: The reports contained in this agenda are for consideration and should not be construed as Council decisions or policy unless and until adopted. Decisions of the Council can be accessed in the minutes at this link <http://wellington.govt.nz/your-council/meetings/committees/strategy-and-policy>



Wellington City Council at its Council meeting of Wednesday 24 April 2013 adopted new Standing Orders. The section from Standing Orders on Public Participation has been changed and is as follows for your information

3.23 Public participation

- 3.23.1 No public participation at certain meetings** There shall be no public participation at the first meeting of the Council following its election.
- 3.23.2 Agenda to provide for public participation** A maximum of 60 minutes will be set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. This may be extended at the discretion of the chairperson.
- 3.23.3 Public participation where heard** Public participation may be received by the local authority or any of its committees provided a written, oral or electronic application to address the meeting setting forth the subject, has been lodged with the Chief Executive by 12:00 noon of the working day prior to the meeting concerned, and has been subsequently approved by the chairperson.
The chairperson may refuse requests for public participation:
- (a) that are repetitious or offensive;
 - (b) where the person or group of people with a specific purpose or common view an interest group or organisation has been heard on the same item at committee prior to it being referred to Council for decision;
 - (c) where the person or group of people with a specific purpose or common view an interest group or organisation has been heard on the same item at a subcommittee prior to it being referred to a committee for consideration or decision;
 - (d) where the public participation relates to a matter that is subject to a statutory hearing process currently before the Council.
- 3.23.4 Public participation not allowed for certain business** Public participation will not permitted in relation to the following agenda items for a meeting:
- (a) minutes being presented to a meeting for authentication; or
 - (b) reports that set out recommendations arising from a statutory hearing process.
- 3.23.5 Urgency or major public interest** Notwithstanding Standing Order 3.23.1 or 3.23.3, where in the opinion of the chairperson the matter which is the subject of application to address a meeting is one of urgency or major public interest, the chairperson may determine that the public participation be received.
- 3.23.6 Procedures for public participation** After public participation from a speaker is received, members may put to the speaker any question pertinent to the subject heard, but no member may express an opinion upon, or discuss the subject, until the speaker has completed making their address and answering questions.
(See Standing Order 3.20.2 regarding qualified privilege)
- 3.23.7 Termination of address if disrespectful** The chairperson may terminate an address in progress which is disrespectful or offensive, or where the chairperson has reason to believe that statements have been made with malice.
(See Standing Order 3.20.2 regarding qualified privilege)
- 3.23.8 Time limit on public participation** A limit of five minutes is placed on any individual speaker addressing a meeting, or if there is an address by a group of people with a specific purpose or common view, an interest group or organisation addressing the meeting, ten minutes in total for all speakers.
The time limit for a speaker may be extended at the discretion of the chairperson.

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Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803 8334, faxing 801 3020, e-mail: public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

Electronic copies of the reports to be presented at this Strategy and Policy Committee meeting can be accessed on our website: <http://wellington.govt.nz/your-council/meetings/committees/strategy-and-policy>

REPORT 1
(1215/52IM)

**REPORT OF THE AUDIT AND RISK MANAGEMENT
SUBCOMMITTEE MEETING OF MONDAY 19 AUGUST 2013**

- **2012/2013 FINANCIAL STATEMENTS AND STATEMENTS
OF SERVICE PERFORMANCE**

1. Purpose of report

The purpose of this report is to present the financial statements, Statements of Service Performance and additional information contained within the Annual Report for the Council and Group for the year ended 30 June 2013 to the Strategy and Policy Committee (the Committee) for review and confirmation.

2. Executive summary

The 2012/13 Annual Report is attached in Appendix 1 for the Committee's review. Audit New Zealand has now provided written clearance to the Council on the financial statements and Statements of Service Performance. A copy of the letter of clearance is included in Appendix 2.

The Audit and Risk Management Subcommittee (the Subcommittee), under delegation from the Committee, has the primary responsibility for reviewing and recommending the adoption of the Council's Annual Report. In accordance with this mandate the Subcommittee reviewed the draft financial statements and Statements of Service Performance at its meetings on 17 June 2013 and 19 August 2013, the latter involving a comprehensive review of financial and service performance results for the year ending 30 June 2013. All substantive issues raised and discussed by the Subcommittee at those meetings have now been satisfactorily resolved.

No significant issues impacting the financial statements or Statements of Service Performance have arisen subsequent to the Subcommittee's 19 August 2013 meeting. Therefore the Subcommittee recommends the formal adoption of the Annual Report to the Committee and Council.

3. Recommendations

The Audit and Risk Management Subcommittee and Officers recommend that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note that the Audit and Risk Management Subcommittee has reviewed the financial statements and Statements of Service Performance in detail.*
3. *Note that Audit New Zealand have indicated their likely audit clearance by way of a letter of comfort dated 21 August (attached in Appendix 2).*
4. *Recommend to Council:*
 - (a) *That the Accounting Policies contained in the draft financial statements (attached to the officers' report) are formally confirmed for adoption for the financial statements for the year ended 30 June 2013.*
 - (b) *The adoption of the financial statements including Statements of Service Performance for Wellington City Council and Group within the Annual Report for the year ended 30 June 2013, subject to receiving final unqualified audit clearance from Audit New Zealand.*
5. *Recommend to Council the adoption of the Annual Report for Wellington City Council and Group for the year ended 30 June 2013 (attached in Appendix 1).*
6. *Recommend to Council that it delegate to the Chair of the Audit and Risk Management Subcommittee and Chief Executive the authority to make minor editorial changes that may arise as part of preparing the 2012/13 Annual Report document for publication.*

4. Background

4.1 Legislative Requirement to Prepare Financial Statements

The Local Government Act 2002 requires the Council to prepare and adopt an Annual Report containing audited financial statements within four months of balance date. Section 111 requires the Council to comply with generally accepted accounting practice (GAAP) in preparing the Annual Report.

GAAP is defined by the Local Government Act to mean:

- a) approved financial reporting standards (within the meaning of section 2(1) of the Financial Reporting Act 1993) so far as those standards apply to local authorities and council-controlled organisations; and
- b) in relation to matters for which no provision is made in approved financial reporting standards (within the meaning of section 2(1) of the Financial

Reporting Act 1993) and that are not subject to any applicable rule of law, accounting policies that –

- (i) are appropriate to the local authority or council-controlled organisation; and
- (ii) have authoritative support within the accounting profession in New Zealand.

The approved financial reporting standards referred to in section a) above are the New Zealand International Financial Reporting Standards (NZ IFRS) issued by the External Reporting Board (XRB).

Section 99 of the Act requires that the Annual Report must contain the auditor's report on the financial statements and Statements of Service Performance and the Council's compliance with the requirements of Schedule 10 of the Act. All requirements of Schedule 10 have been incorporated within the audited sections of the Annual Report.

4.2 Process and Timetable for Adoption of the Council's Financial Statements

The adoption process agreed to by the Subcommittee at its meeting on 17 June 2013 is as follows:

Date:	Action:
17 June 2013	ARMS Meeting Subcommittee reviewed and conditionally approved draft format for the 2012/13 financial statements and the proposed sign-off process.
29 July 2013	Audit New Zealand commenced final audit fieldwork.
1 August 2013	Consolidated draft financial statements, including results of operations and cashflows for the year ending 30 June 2013, financial position as at 30 June 2013 and financial overview available for final internal review and management sign off.
12 August 2013	Audit and Risk Management Subcommittee briefing on major provisions and issues.
19 August 2013	ARMS Meeting Subcommittee to review consolidated draft financial statements, including results of operations and cashflows for the year ending 30 June 2013, financial position as at 30 June 2013 and financial overview, subject to final Audit New Zealand clearance. Subcommittee to also review Statements of Service Performance, report on CCOs and report on mana whenua partnership. Subcommittee to recommend adoption of 2012/13 financial statements to Strategy and Policy Committee. Audit New Zealand to issue letter of comfort to Strategy and Policy Committee as to whether an unqualified, or qualified, audit opinion will be issued.
28 August 2013	Strategy and Policy Committee Meeting

Date: (scheduled)	Action: Committee to recommend adoption of 2012/13 financial statements to Council.
28 August 2013 (scheduled)	Council Meeting Council to adopt 2012/13 financial statements. Management Letter of Representation issued to Audit New Zealand. Audit New Zealand sign Audit Opinion. Media Release – Financial Results for the year ending 30 June 2013.
27 Sept 2013	Release of published Annual Report.

4.3 The Annual Report publication

The Annual Report is one of the Council's core publications. A clear, concise and readily accessible document is important in conveying the organisation's strengths and achievements over the last year.

The publication itself will be prepared following Council's approval of the version presented here. A summary of the Annual Report will also be produced following its adoption by Council. The summary, which is subject to audit clearance, will provide an overview of the Council's performance and financial position; outline highlights for each strategy and provide information on key facts about the city.

5. Discussion

The Annual Report for the year ended 30 June 2013 is attached to this report. The following discussion analyses:

- The results of operations and financial position for the year ended 30 June 2013, including:
 - financial performance for the year ending 30 June 2013
 - financial position
 - capital expenditure program
 - Statements of Service Performance
- Group reporting
- Clearance processes

5.1 Comprehensive Financial Performance and Financial Position for the Year Ended 30 June 2013

5.1.1 Comprehensive Financial Performance

The Statement of Comprehensive Financial Performance reports an overall surplus for the Council's activities of \$28.187 million compared with a budgeted surplus of \$37.426 million resulting in an unfavourable variance to budget of \$9.239 million. There were a number of larger unbudgeted items which contributed to this result, including the restatement of the provision for leaky homes. The majority of the budgeted surplus represents funding received from

third parties for capital purposes (e.g. Housing New Zealand and NZTA grants). This income is received for specific capital projects and cannot be used to fund operating expenditure.

In addition the financial overview section of the Annual Report provides commentary in relation to the financial performance of the Council and Group. The Council's financial performance includes the results of the Wellington Waterfront Project (WWP) and the Joint Venture arrangements with Porirua City Council (PCC JVs). Both the WWP and the PCC JVs are consolidated on a line by line basis into the Council's financial statements. The Council also recognised Other Comprehensive Income totalling \$13.880 million. Total Comprehensive Income is made up of the following:

COUNCIL:	
Net surplus for the year	<u>\$28.187m</u>
Movement in cash flow hedge reserve	\$13.941m
Movement in fair value through other comprehensive income reserve	(\$0.061m)
Other Comprehensive Income	<u>\$13.880m</u>
Total Comprehensive Income	<u>\$42.067m</u>

The Council currently has a debit balance in its hedging reserve totalling \$9.955 million. This will reduce to zero as these swaps reach the end of their lives.

The consolidated Group results reflect an overall net surplus of \$30.442 million. The Group results consolidate the operations of the Council's subsidiaries (on a line by line basis) and associates (using the equity method of consolidation) together with the results from the Council's operations. The difference between the Council and Group results arises from the elimination of "inter-group" transactions and the recognition of the Group's share of the results of subsidiaries and surpluses or deficits of the associate entities. The Group also recognised Other Comprehensive Income totalling \$14.033 million. Total Comprehensive Income is made up of the following:

GROUP:	
Net surplus for the year	<u>\$30.442m</u>
Movement in cash flow hedge reserve	\$13.941m
Share of movement in associates cash flow hedge reserve	\$0.153m
Movement in fair value through other comprehensive income reserve	(\$0.061m)
Other Comprehensive Income	<u>\$14.033m</u>
Total Comprehensive Income	<u>\$44.475m</u>

The Council net surplus of \$28.187 million is adjusted by items that are not used to fund operating expenditure resulting in an underlying funding deficit of \$13.295 million. A full explanation of the significant factors contributing to the

underlying variance is outlined in the table in the financial statements in Appendix 1 Note 33.

The movement in the weathertight homes provision is separately funded through a combination of rates and borrowings, which commenced in the 2011/12 financial year. Therefore the provision movements for 2011/12 and 2012/13 have been added back in the table below to calculate the underlying surplus available for use. The Council has already agreed to use \$3m of the 2012/13 surplus to fund the Wellington Economic Initiatives Development Fund and therefore has an underlying funding surplus to carry forward of \$10.513 million.

	\$000
Opening underlying funding surplus from previous years	1,940
<i>Items separately rates funded in prior year</i>	
Movement in Weathertight Homes Provision	9,903
Underlying surplus carried forward from previous years	11,843
<i>Movement in underlying funding deficit from this years result</i>	(13,295)
<i>Items separately rates funded</i>	
Movement in Weathertight Homes Provision	14,965
Adjusted available underlying surplus	13,513
<i>Transfer to reserves</i>	
Funding Wellington Economic Initiatives Development Fund	(3,000)
Remaining underlying funding surplus to carry forward	10,513

5.1.2 Financial Position

The Statement of Financial Position reflects an equity position of \$6,348.398 million for the Council entity as at 30 June 2013, an overall increase of \$42.067 million from the opening balance.

In analysing the Council's overall financial position at 30 June 2013, compared to the position at the previous balance date, the most significant movements relate to property, plant and equipment; borrowings and provisions.

- ***Property, Plant and Equipment***

Property, plant and equipment has increased by \$44.606 million to \$6,546.292 million as at 30 June 2013. Movements in property, plant and equipment for the Council are shown below:

Opening balance	\$6,501.686m
Additions (completed capex)	\$149.795m
Disposals	(\$6.823)
Depreciation expense	(\$87.280m)
Movement in WIP	(\$10.864m)
Other movements	(\$0.222m)
Closing balance	<u>\$6,546.292</u>

The additions figure above represents completed capex (including vested assets) so will not agree directly to the total capex spend. It should also be noted that some capex will still be held within work in progress at 30 June 2013 and therefore not be included within the additions figure.

- ***Net borrowings***

The Council's net borrowings have increased by \$4.945 million to \$343.941 million as at 30 June 2013. This figure is net of cash deposits held by the Council. The Council holds short term deposits as part of its overall liquidity risk management programme. This enables the Council to maintain its regular commercial paper programme and to pre-fund upcoming debt maturities. The combination of the commercial paper programme and holding short term deposits reduces the Council's cost of funds.

The increase in the Council's level of net borrowings reflects the utilisation of funds to complete the 2012/13 capital expenditure programme. The Council borrows to fund the purchase or construction of new assets or renewals as approved through the Annual Plan process. The Council's closing net borrowings is \$10.086 million lower than the budgeted net borrowings of \$354.027 million as a result of re-phasing of delivery of the capital expenditure programme to reflect changes in project timing.

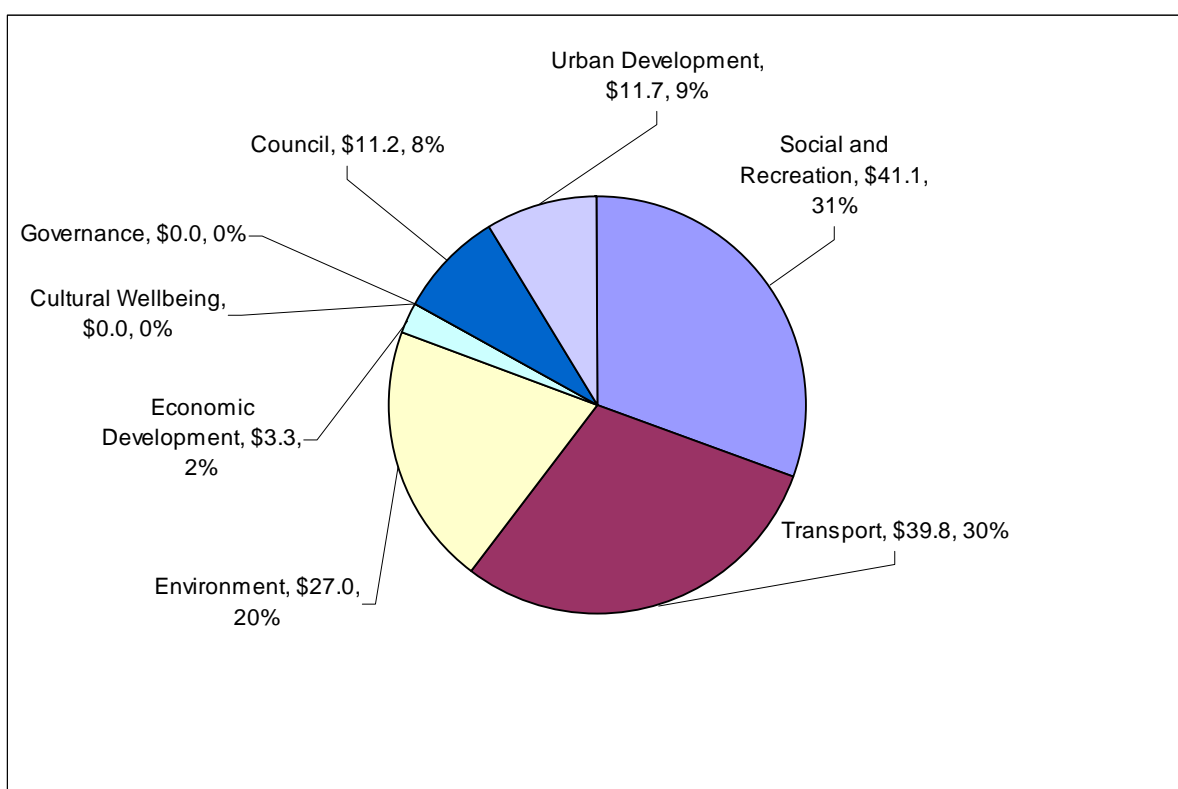
As at 30 June 2013, \$111.173 million of net borrowings were short-term i.e. due within 12 months (2012: \$106.950 million) and \$232.768 million were long-term i.e. due after 12 months (2012: \$232.046 million). This is consistent with the Council's borrowing strategy to ensure long-term liquidity and access to funds. The Council's strong liquidity and treasury management means that it has been cost-effective to maintain a negative level of net working capital. Interest rate swaps are in place to ensure the Council's exposure to interest rate risk is managed appropriately.

5.1.3 Capital Expenditure Programme

Total capital expenditure (capex) for the year ended 30 June 2013 was \$134.117 million, compared with the total budgeted capex programme (including carry forwards from 2011/12) of \$167.699 million. Total capital expenditure budget that will be carried forward to future financial periods is \$32.743 million (2012: \$31.562 million).

Significant capex projects undertaken during the year, in addition to the Council's significant infrastructure renewal capex programme, include the continuing upgrade of the Council's housing stock.

The following pie chart shows total capital expenditure by strategic areas:



5.2. Statements of Service Performance

The Statements of Service Performance (SSPs) outline what the Council has achieved over the past year in relation to:

- the outcomes that were set in the long-term plan
- performance measures and targets for 2012/13.

They also provide a narrative around milestone and activities that occurred during the year.

5.2.1 Presentation

The SSPs are structured around seven strategic areas. Each chapter steps through each activity in more detail. They will include:

Activity statements

- **What we do:** An outline of the scope of our work under the activity.
- **Contribution:** How our activities contribute towards our stated outcomes.
- **Key projects:** a description of milestones and functions performed during the year.
- **What it cost:** summary financial table for that activity. This includes explanations for any notable budgetary variances.
- **How we performed:** outline of results against targets. We place these in the context of past results and next years targets where appropriate¹.

Collectively this commentary illustrates the wide range of activities that the Council delivers and a sense of progress.

It is noted that Council has changed the methodology it uses to survey residents on their perceptions of its performance. 23% of Council's performance measures in this Annual Plan come from these surveys. The change has involved moving away from conducting the surveys by telephone to now conducting the surveys online. This change was made because the telephone method was becoming less viable and to take advantage of significant cost savings.

The change in methodology has had an impact on results. The impact was anticipated and is consistent with past experiences of making such a transition in methodology. Officers believe the 2013 results are robust and a fair reflection of people's perceptions. The change in methodology is explained in the introductory sections of the Report. Where results using the new methodology are compared with the results from previous years, a line between the results has been used in the report to highlight the change in methodology.

It is not possible to know how much of the changes in the results are due to the change in method and how much is due to an actual drop in performance. As in previous years, where there is an explanation for a drop in performance it will be provided in the commentary associated with that result. Where there is a clear drop in performance that cannot be explained, the commentary will identify steps being taken to gather more information on the result and steps that Council can take to address it.

¹ The measures were developed as part of the long term plan and remain in place for a three year period. They were developed around a framework that covers: access; quality; volume; timeliness; and customer experience. We also provide milestones to demonstrate effectiveness at project management. The results are derived from official sources such as Statistics NZ and from internal systems and customer surveys. The performance measures are complemented by a set of 'outcome indicators' that show trends over the long term – and include activities that the Council has varying levels of influence over e.g. crime statistics.

The theme for this year's report is 'Partnerships' and throughout the document we will outline stories about our partnerships as well as including pull out quotes from our partners about working with us.

We also provide a schedule outlining the performance of our Council Controlled Organisations. An executive summary will also be prepared. This covers introductions from the Mayor and Chief Executive and provides an overall summation of performance. This is provided directly to the Strategy and Policy Committee.

A summary of the Annual Report will be produced following its adoption at Council on 28 August 2013. The summary will provide an overview of Council's performance, key highlights for each strategy area and provide information on key facts about the city. The summary will be particularly useful for those who wish only to have an overview of the city's activities and performance rather than the review all the detailed information contained in the report.

5.3 Group Reporting

As previously noted, the Council prepares consolidated financial statements for the Council and Group. The Group results consolidate the operations of the Council's subsidiaries (using the purchase method of consolidation) and associates (using the equity method of consolidation) together with the results from Council's operations. The Group structure is outlined in Note 38 to the financial statements.

There are a large number of entities within the Group and tight timeframes for finalisation of the Group financial statements. Group entities are required to complete the following:

- year-end consolidation package;
- consolidation / financial statement templates allowing for effective consolidation of financial information; and
- a letter of representation to be signed by the Chief Executive.

In addition, we require early advice of any significant or material issues arising from the preparation of the financial statements or the completion of the audit. These reporting requirements continue even after the consolidation package has been prepared and submitted to the Council. The Council's finance team are in constant contact with Council Controlled Organisation (CCO) finance representatives to determine the status of their year-end audits, any arising issues, and any consequential impact for the Group financial statements. Due to the small size of most of the entities within the Group, the Group results are generally not materially different from those of the Council.

Overall, we do not anticipate any material adjustments being required to the consolidated Group financial statements. We will continue to liaise with all Group entities up to the date of adoption of the Council's Annual Report.

5.4 Clearance process

The management letter of representation will be signed by the Mayor, Chief Executive (CE) and Acting Chief Financial Officer (CFO). The letter of representation forms part of the overall audit procedures carried out by Audit New Zealand. The content of the letter of representation is consistent with that prescribed for use by auditors by the New Zealand Institute of Chartered Accountants.

As in previous years, the Subcommittee reviewed the Institute of Directors (IOD)/PricewaterhouseCoopers Director's checklist, together with a legislative checklist covering the Annual Report requirements stated in Schedule 10 of the Local Government Act 2002. These processes assisted the Subcommittee in forming its view that the financial statements for the 2012/13 financial year are fairly stated and provided the Subcommittee with comfort from which to recommend them to the Committee and Council.

6. Conclusion

The Annual Report prepared for the Committee's review includes the financial statements and Statements of Service Performance which have been reviewed in detail by the Subcommittee.

The financial statements include all known year-end adjustments required in order to fairly reflect the Council's results of operation, cashflows and financial position for the 2012/13 financial period. Further, at the time this report was prepared there were no known issues identified by Audit New Zealand that would materially affect the recognition and measurement of reported balances in the Council's financial statements.

Report prepared by:

Councillor Ian McKinnon

CHAIR – AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

Nicky Blacker

MANAGER – FINANCIAL ACCOUNTING

Martin Rodgers

MANAGER – RESEARCH, CONSULTATION AND PLANNING

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

The report relates to review of the Council's achievement of its strategic outcomes for the year ending 30 June 2013. The adoption of the Annual Report is a statutory responsibility.

2) LTP/Annual Plan reference and long term financial impact

There is no impact on the LTP or Annual Plan.

3) Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations.

4) Decision-making

This is not a significant decision in terms of the significance policy.

5) Consultation

a) General consultation

There are no parties significantly affected by this paper.

b) Consultation with Maori

Maori are not significantly affected by this paper.

6) Legal implications

This report supports compliance with the Local Government Act 2002 requirement to adopt an annual report within 4 months of balance date.

7) Consistency with existing policy

This report is consistent with existing policy.

APPENDIX 1

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

Wellington City Council Annual Report 2012/13

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Mayor's welcome

Wellington City has enjoyed a good year; a year of events and investment that we'll benefit from for generations to come.

The year 2012/13 can be characterised as a year of partnerships and creating the conditions for our new, diverse and innovative economy to thrive. The spectacle of the global premiere for *The Hobbit: An Unexpected Journey*, the Royal Visit of Prince Charles and Lady Camilla and the pageantry of the first AFL premierships match held outside Australia excited the Capital, and the powerful Matariki storm reminded us of the increasing threat of climate change.

The year was also about resilience: City resilience through stronger buildings and robust emergency responses; Community resilience through stronger partnerships with social agencies, schools, community groups and neighbourhoods; Economic resilience through the continued diversification of the Wellington economy, fostering the development of our innovative companies and promoting the export of our ideas and products to the world.

Our planning and preparedness for unexpected natural events revealed their benefits only weeks after the Council year 2012/13 ended.

Partnerships:

Emergency Management: Recent events have confirmed Council's view that our priority must be on a strong, resilient city. In July 2012 the new regionally shared emergency management organisation (Wellington Regional Emergency Management Office – WREMO) began operating, pulling together expertise from around our region's councils. In conjunction with WREMO and GNS we undertook 26 seminars to better inform the public about earthquake risk and personal preparedness. Over 1400 people attended these sessions. Earthquake assessments for homes were made available and local products and services were showcased at the Wellington Rocks expo.

City Housing: Our partnership with the Crown for Council's Housing Upgrade Project is the largest and most intensive social housing redevelopment project ever undertaken in New Zealand. We completed the upgrade of Central Park Apartments in August 2012 and Newtown Park Apartments, ahead of schedule, in June 2013, a total of 395 units. The upgrades included seismic strengthening, new kitchens and bathrooms, thermal curtains, improved ventilation and insulation and the reconfiguring of some units. Further work on affordable housing is in progress.

Education: Our teams collaborated with 80 Victoria University students, to examine how we strengthen Cuba Street buildings while retaining their special heritage character, and signed up with Victoria University for an ongoing planting initiative on Te Ahumairangi Hill. The Wolf Pack safety campaign was developed by Massey University students, including a phone app where users can keep connected to friends. A good example of our Smart Capital in action!

Mana Whenua: We continued with many activities throughout the year – Matariki, Maori Language Week, Waitangi Day celebrations, The public sector kapa haka concert Te Kōnohete was a huge success, drawing more than 800 of the Capital's people together in performance and the spectacular Oruaiti Reserve was opened in November.

Progress:

This year was the first year of our Long-term Plan to implement the vision of Wellington: Smart Capital 2040. Here are some indicators from our four outcomes that show we're on the right track:

Eco city: Total waste to landfill per capita has decreased from last year by 0.02 tonnes per person; Energy use has dropped from 6.9 MWh per person to 6.7 MWh; Residential water consumption has decreased by 6 litres per person per day to 288 litres. The Home Energy Saver programme resulted in over 635 home energy assessments to Wellington households and 364 of these customers installed an energy efficiency measure on-the-spot (over 680 low energy light bulbs, 255 efficient shower heads and 154 draught-proof measures).

Connected city: 97 percent of residents now have access to broadband, and within the Wellington region there were 23,608,000 passenger trips on a bus and 11,355,000 on a train. Usage of our CBD Free wireless internet was up seven percent on the previous year, no doubt assisted by our golden run of weather.

Dynamic central city: We have 4,500 smart businesses in the city and 12 percent of employees working in the smart business sector; 13,134 people reside in the central city, equating to 7.3% of the city's population and 82% of residents' feel a sense of pride in the look and feel of the central city. The Wellington region gained 5900 new jobs, according to Statistics NZ, higher than anywhere except Canterbury.

People centred: Eighty-eight percent of residents' rate their quality of life as extremely good or good; and we feel safe – 98 percent feel safe in the central city during the day.

Resilience:

Although the earthquakes of July 21 and August 16 are outside the timeframe for this report they're certainly on everyone's minds – and we worked hard throughout the previous year to prepare for such events.

Strengthening work: Projects for Begonia House, Rugby League Park Stand and the Colonial Cottage has been completed and the buildings are no longer earthquake prone. A total of 4,239 pre-1976 buildings have been assessed since mid-2009. 612 have been declared earthquake prone of which 134 are heritage, and 757 are left to assess. We will complete this programme of assessments in June 2014.

Preparedness: Our people are prepared for an emergency more than anywhere in New Zealand. Seven out of ten Wellington residents have water stored away for an emergency, 78 percent of residents have emergency items and 42 percent have plans at the ready.

Communication and Engagement: This is always an important issue and our survey indicated we could improve in this area, so it's pleasing that Council has launched its Draft Engagement Policy for your consideration this year.

There are many community, business and Council achievements to celebrate, and many more planned for the year ahead.

CELIA WADE-BROWN

Mayor

Chief Executive's welcome

I'm new to Wellington, having become Chief Executive of this Council in April this year. I can already see that this is a great city. It is safe, vibrant, creative, as well as having many environmental features and advantages. I love living here and I am proud to lead this organisation.

As you will see in this report, the Council is in a healthy financial position and is making good progress on its key priorities. In terms of economic growth, we successfully hosted the world premiere of *The Hobbit: An Unexpected Journey* and agreed to contribute to the cost of the Resource Management Act approvals process for the proposed Wellington International Airport runway extension. In addition to this, we have decided to use \$3 million of this year's operating surplus to build a *Wellington Economic Initiatives Development Fund* for the coming year to target further events, initiatives and partnerships as priority areas for growth.

In terms of our resilience to natural disasters, we have done a significant amount of investigation and planning around the strengthening of Council owned buildings. A work programme and funding has now been agreed with the Town Hall project about to get underway. In addition to this we have been strengthening the city's core infrastructure including underground pipes, reservoirs, bridges and retaining walls with the strengthening of the Karori Tunnel being a key achievement this year. We have also made great progress with the upgrade of our social housing portfolio, with significant investment from Central Government. The completed projects and associated community programmes continue to win awards and are a true credit to all involved. We look forward to similarly successful partnerships with the Government, particularly in the transport area with the Memorial Park project underway and other major network projects for the region going through their consenting phases.

The Council recorded a net surplus of \$28.2 million. After adjusting for fair value movements and other non-cash items of income and expense, the underlying surplus for 2012/13 is \$3.6 million, this is largely due to savings in interest and depreciation from the Council not completing its planned capital work programme, of this \$3 million has been used for the *Wellington Economic Initiatives Development Fund*. The significant amount of carry forward capital expenditure, which results in these interest and depreciation savings, is not a pattern that I see continuing, as we set more realistic capital programmes that are more focussed on our key priorities.

In terms of our overall performance, you will note on page xx that, to take advantage of new technology and reduce costs, we have changed how we survey Wellingtonians about our performance. This has had an impact on some of the results. However, it is also clear that people feel more negative about our performance in some areas, particularly around how we make decisions and satisfaction with some facilities. We will be looking into these results further to find out what we can do to improve our future performance in these areas.

I am committed to working with the elected members, all staff, our partners and the wider community to take this city and region forward. The economy holds the key to our success. We need to invest in the right projects – projects that cut our costs, generate income or lead to economic growth, which in turn expands the business rate base. This will enable the Council to maintain its investment in community infrastructure while keeping rates affordable. I'm committed to leading an organisation that delivers, is accessible and open. This report is part of that commitment. An informed community is, after all, important for a healthy democracy.

KEVIN LAVERY

Chief Executive

Our role and direction

We are responsible for community wellbeing.

Who we are

The Wellington City Council is made up of 15 elected representatives – the mayor and 14 councillors. It's their job to make bylaws, set the city's overall strategic direction, and approve budgets, policies and plans aimed at achieving that direction. Part of their role is to listen and take the pulse of the community before making decisions. They are supported in their governance role by two community boards.

The elected representatives are supported by the Council's chief executive and 1550+ staff, who provide advice, implement Council decisions, and look after the city's day-to-day operations.

Our aims

In June 2012 the Council adopted the 2012-22 Long-term Plan. This plan outlined the services we planned to deliver for the next ten years.

This annual report explains how we've delivered on year one of the Long-term Plan.

The Long-term Plan outlined our vision for Wellington. *Wellington Towards 2040: Smart Capital* contains four outcomes for the city: to be people centred, connected, an eco-city and have a dynamic central city. These outcomes guide our decisions about our services and what we plan to do. The Long-term Plan also outlined three priorities to guide us for the next three years: an inclusive place where talent wants to live; a resilient city; and a well managed city.

We will work with other organisations to further these community outcomes

These outcomes and priorities are structured around seven areas. The chapters in this report highlight progress towards those outcomes.

The seven chapters are:

Governance – delivering trust and confidence in decision-making.

Environment – protecting and enhancing Wellington's environment.

Economic Development – promoting the city's competitive advantages to enhance quality of life.

Cultural Wellbeing – reflecting and helping shape Wellington's unique cultural identity.

Social and Recreation – sustaining safe, resilient, and healthy communities.

Urban Development – preserving Wellington as a compact, vibrant, and attractive city now and into the future.

Transport – delivering an efficient and safe transport system that connects people and places.

Explaining our work

In this report you'll be able to find information about the state of the city – everything from the transport network to the state of the environment to the strength of Wellington's communities.

For each activity we explain:

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

Contribution: how our activities contribute towards our outcomes.

Key projects: a description of milestones and activities achieved during the year.

What it cost: a summary financial table for that activity.

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

Our methodology

The performance information is drawn from a wide variety of sources, including annual surveys of Wellington residents.

Every year we carry out a series of surveys which collectively are called the Residents Monitoring Survey (RMS). Some of the information is used to inform the Annual Report and highlights how the Council and its Council Controlled Organisations (CCOs) are performing from the point of view of Wellington and New Zealand residents.¹ They also help us identify where we may need to make improvements in how we do things.

In recent years the survey has consisted of two separate surveys of Wellington residents, one focusing on the Council and one on the CCOs, as well as a survey of residents across New Zealand focusing on Wellington's reputation across the country.

Change in methodology

In 2012, two of the three surveys were changed from being telephone surveys to being on-line surveys. In 2013, all of the surveys were conducted on-line (80% using the Council's newly established research panel and 20% from an external research panel).

¹ Approximately 23% of the measures in the Annual Report are derived from the RMS.

The Council's research panel members were recruited using a third party media company. Invitations were sent to individuals to sign up – but were only accepted as members if they met quotas around age, gender and ward to ensure the panel is representative of Wellington. No panel members were self selected.

This change was carried out because:

- Online is significantly cheaper. Doing the survey online using the new research panel costs about half what it would cost to do the surveys by telephone. Also, the panel can be used for other surveys throughout the year, saving the Council up to \$15,000 each time.
- The telephone method is becoming less viable as fewer research companies are offering this service. Also, it relies on matching phone numbers from the Yellow Pages to names on the electoral role, which causes difficulties in obtaining an adequate sample size due to increased mobile phone usage and unlisted numbers.
- The reliability of on-line research panels have matured to the point where they are becoming the industry standard.
- We timed the change to tie in with the start of the new performance framework, which we developed as part of our 2012-22 Long-term Plan.

Impact on results

Between the 2012 and 2013 years, some measures in the RMS show a drop in people rating the Council and its CCOs positively. In some cases the drop is large. In most cases this is represented by an increase in the 'neutral' response as well as an increase in negative ratings.

Some of the decline is due to the change in methodology. There is a tendency to respond more negatively when answering a question anonymously in written form, as opposed to a person on the telephone. In some cases it has been shown that people respond more truthfully when answering about something which is socially desirable.

There is also a tendency to respond more neutrally, towards the middle of the scale and away from extremes.²

It is not possible to know how much of the change is due to the change in method and how much is due to an actual drop in performance³. The timing of the surveys may also have impacted the results. Previously the surveys were carried out in February and May. In 2013, the surveys were carried out in June.

Consequently, care should be taken when comparing the results of the survey in 2013 with results from previous years. In this report, we have drawn a line between the results of this year and those of previous years to highlight the change in the survey methodology. We have also tried to identify factors that may have contributed to the change in result where appropriate.

The sample of 500 residents⁴, aged over 18, is representative of the Wellington population in terms of ward, age and gender. The maximum standard margin of error is +/-4.38%.

² The Quality of Life survey of residents in six New Zealand cities changed from a telephone to an on-line methodology in 2012. A smaller sample of Wellington residents were also surveyed using the telephone method enabling a direct comparison to be made. Overall, those questions concerned with council decision-making showed a shift away from the extreme positive towards the negative in the on-line responses.

³ Given the impact of the change in methodology, we will be reviewing our performance targets in some areas.

⁴ 45% of those sent the survey responded.

Areas highlighting where improvement is needed

Regardless of the change in method, the Council is taking the results seriously. In particular the council is exploring further the following areas, which show some of the largest increases in negative ratings:

Council decision-making and information:

- Areas include how Wellingtonians feel the Council involves the community and people in decision making, how easy it is to access information, whether the Council makes decisions in the best interests of the city, whether people understand how the Council makes decisions, and how much influence people feel they have on the decisions made by the Council. People are also telling us that our website is not too easy to navigate or get information from.
- The 2012 Quality of Life Survey (conducted in September 2012) also showed a decline in how well people understand council decision-making processes across all six cities participating in the survey. While still low, Wellington scored the highest out of the six cities (38% compared to the average of 29% across the group). For confidence in council decision making, Wellington scored 46% compared to the average of 36% across the group (ranking third out of the six cities), and for public influence on council decision making, Wellington scored 48% compared to the average of 37% across the group (ranking second across the group).
- To better understand these results and actions that the Council could take in response, we are commissioning an external agency to conduct a series of focus groups with those people who have rated the Council negatively on these questions. The results will feed into the implementation of Council's Engagement Policy, which is being reviewed.

Satisfaction with some Council services and facilities:

- Areas include public toilets, playgrounds, skate parks, and recreation centres, and value for money of recreation services and facilities.
- Council is undertaking customer service surveys with the users of recreation facilities to identify where improvements can be made.

The Council needed to make this change in how the survey was conducted at some point for a number of reasons as noted above. We chose to coincide the change with the start of a new Long-term Plan period and with the introduction of some new measures. Therefore, the results of this year's surveys can now be viewed as a new benchmark for residents' satisfaction.

Key financial facts

[info graphic to be designed]

About half of our income comes from rates which means a significant portion comes from other sources

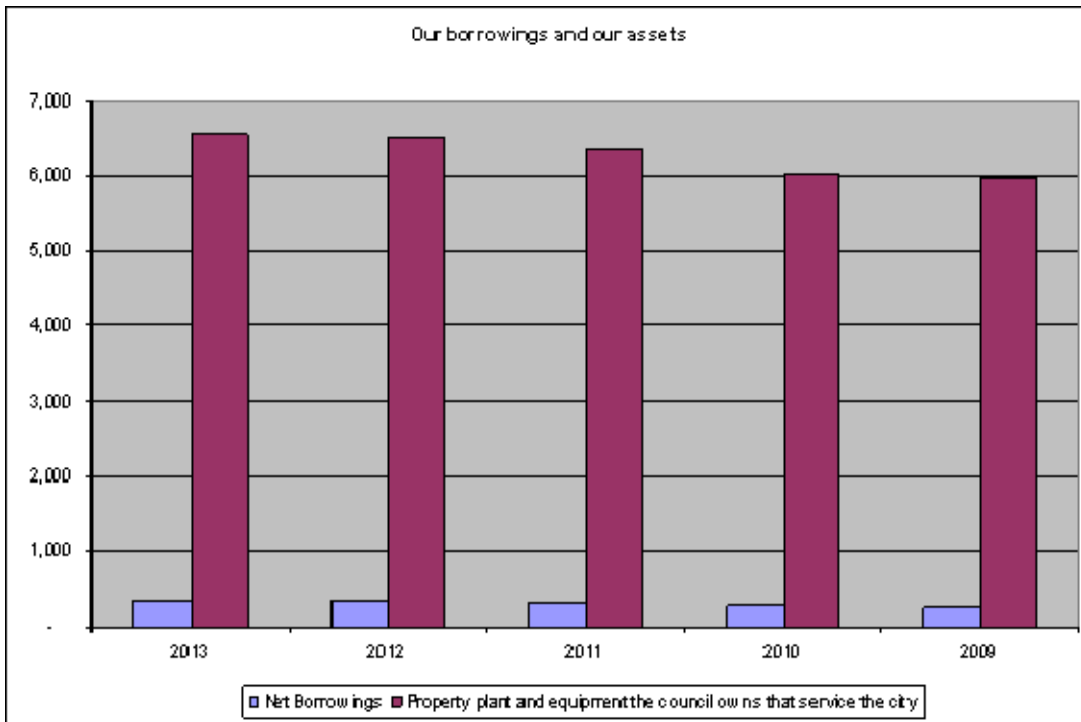
Income source	\$ (million)	
General household rates	74.8	
General commercial rates	63.9	
Sewerage rates	33.5	
Stormwater rates	17.4	Income – rates: 237.4
Water rates	34.0	
Downtown Levy	13.7	
Other rates	0.1	
Income for capital expenditure	39.9	
Revenue from operating activities	122.3	Other income: 209.0
Revenue from investments	23.6	
Other income	23.2	

Where the money was spent

	Total cost (\$000)	Cost per resident per year \$	Cost per resident per day \$
Governance	14,993	75	0.20
Environment	140,030	700	1.93
Economic development	33,033	165	0.45
Cultural wellbeing	17,938	90	0.25
Social and recreation	96,694	483	1.32
Urban development	36,453	182	0.50
Transport	50,713	253	0.70
Council	28,374	142	0.39
TOTAL	\$418,228	\$2,090	\$5.74

Borrowings are used to fund assets that will deliver services to Wellington for many years.

The Council's level of debt, in simple terms, equates to a 5.4% mortgage on the city's assets



Glossary of terms

We have compiled a list of key terms we use throughout the report.

Annual Plan – The Annual Plan is a budget prepared by Council showing the expected cost of running the city for the year of the plan and how the costs will be funded. An Annual Plan is not prepared in years when a Long term plan is prepared (see Long term plan).

Associates – are entities that the Council owns a share of but does not control. Our share of the associates' surplus/deficit and net assets is recorded in the Group financial statements. The Council's associates are Basin Reserve Trust (50%), Capacity (63%), Chaffers Marina Holding Limited (12%), Wellington International Airport Limited (34%) and Wellington Regional Stadium Trust (50%).

Capital expenditure – expenditure on assets that provide a long term ongoing benefit to Council, usually fixed assets (Property Plant and Equipment), for example buildings.

Cash and cash equivalents – includes cash as well as deposits which mature in less than three months.

Current asset – an asset that can readily be converted to cash or will be used to repay a liability within 12 months of balance date.

Current liability – a liability that is required to be discharged within 12 months of balance date.

Depreciation (amortisation) – an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).

External funding for capital expenditure – Funding recorded as income but is used to fund capital expenditure projects.

Fair value – essentially reflects the market value of assets or liabilities.

Investment properties – these are properties that are primarily held by the Council to earn rental income.

Liquidity/funding risk – this is the risk that the Council will not have access to the required funds to meet its present obligations.

Long term plan – A ten year forecast prepared every three years showing the expected cost of running the city for the following ten years and how the costs will be funded.

Net borrowings – Net borrowings is total borrowings less any funds held on deposit.

Net surplus/(deficit) - Net surplus/deficit is the difference between total income and total expenses. It includes both operating revenue and operating expenditure as well as other non-funded items of revenue and expenditure such as capital funding, vested asset income and fair value movements.

Operational expenditure – expenditure that is not capital expenditure (see Capital expenditure).

Prudential limits – these are limits applied to the level of borrowings to ensure we are managing the Council's assets and liabilities prudently. These limits are outlined in the Investment and Liability Management Policy in the Long Term Plan.

Ring-fenced – funds that can only be used for a specific purpose.

Total comprehensive income – is the net surplus/(deficit) adjusted for fair value movements of some of our assets including plant and equipment and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect changing fair value of assets the Council owns.

Underlying funding surplus/(deficit) – the portion of the overall net surplus/(deficit) that has arisen from changes to operating income operational expenditure as compared to budget.

Vested assets – assets that are created by others and passed into Council ownership (e.g. roads built by a developer as part of a subdivision).

Wellington 2040 indicators

These indicators highlight our progress towards reaching our vision of *Wellington 2040: Smart Capital* in the 2012/13 year. For further results on these long term outcomes see the Monitoring Information on page xx.

[info graphic will be designed]

Dynamic central city

Indicators	2012/13 outcomes
GDP per capita growth	0.2%
New jobs across the city in smart, knowledge intensive areas	Number of smart businesses in the city: 4,507; Percentage of employees working in smart business sector: 11.6%; Number of new jobs in the city: 2,168; Number of new jobs in 'smart' business: 451
The population of the central city and the proportion of growth in the CBD	13,134 people reside in the central city, equating to 7.3% of the city's population.
The number and growth of enterprises and jobs in the central city	City - enterprises: 25,086; jobs: 140,320. Central city – enterprises: 8,641; jobs: 96,410.
The resolution rate of earthquake prone buildings and community preparedness	Identified earthquake prone buildings strengthened/demolished 2012/13: 44 Residents' with emergency items and plan: Items: 78% Plan: 42%
Resident's sense of pride in the look and feel of the central city	82% of residents' feel a sense of pride

Eco city

Indicators	2012/13 outcomes
City wide greenhouse gas emissions	We have commissioned URS to do our city-wide greenhouse gas inventories for 200/01, 2006/07, 2009/10 and 2012/13 using the latest international best practice methodology. This will be reported on in the 2013/14 Annual Report.
The mode of residents' travel and amount of fuel sold in the city	Car: 33%; Bus: 34%; Walking: 20%; Train: 6%; Cycle: 3%. Fuel used on Wellington roads (2012/13): 1,843 litres/person
Landfill waste per capita	0.41 tonnes/person.

The breadth and health of native bird species	The average number of birds observed at each station increased slightly for most species compared to the previous year. For full bird count statistics, see page Monitoring Information on page xx
NZers perception of the extent that Wellington is an eco-city	27%
GWH of renewable energy generated within the city's boundaries	Total renewable energy generated in the city = 475,850 MWh, which is equivalent to 35% of the city's electricity consumption.
Growth of 'smart' jobs and enterprises	Number of smart businesses in the city: 4,507; Percentage of employees working in smart business sector: 11.6%

Connected city

Indicators	2012/13 outcomes
Access to, and usage of broadband (including ultrafast)	97% of residents
Peak travel times	Peak travel times between CBD and suburbs (Peak travel time range (minutes)) Miramar 10.0-15.0 Karori 9.0-24.0 Island Bay 8.0-21.0 Johnsonville 7.0-26.0
Usage of public transport (trains and buses)	Total passenger boardings: Bus = 23,608,000; Trains: 11,355,000 (Wellington Region)
Value of exports	Wellington Airport: Tonnage: 870, Value \$18.5 Million. Wellington Seaport: Tonnage 1.15M; Value \$989M
Number of international air connections	One - Australia

People centred city

Indicators	2012/13 outcomes
Residents health (chronic disease rates) and their perceptions of safety	Residents health (chronic diseases): Heart disease: 3.3%; Diabetes: 4.9%; Obesity: 25.7%. Perception of safety: Central city day: 98%; Central city night: 72%; Neighbourhood day: 99%; Neighbourhood night: 85%.

Resident perceptions of their quality of life	88% of residents' rate their quality of life as extremely good or good
Average incomes of residents and labour force participation	(2006 Census data): Median personal income: \$32,500; Median Household Income: \$72,200. (2012/13) Labour force participation rate: 71.5%
The diversity of the population and residents' values regarding diversity	30% of the city's population are non-European. 67% of residents' believe that different lifestyles and cultures make Wellington a better place to live.
Educational achievement and youth participation	33% of Wellingtonians over the age of 15 have a Degree-level qualification or higher. (2006 census data -not updated) Youth NEET rates: 9.9%
Ratio of income to cost of living	Between 2011 and 2012, the ratio between earnings and cost of living increased by 0.8% (became more expensive).
Resident perceptions of their social networks and community cohesiveness	School or work network: 58%; Hobby/interest group: 30%; Online community groups (e.g. Facebook): 51%; Sports club: 29%; Church/spiritual group: 19%; Community/voluntary group: 18%; Friends: 3%. Residents' perceptions that they feel a sense of community with others in their local neighbourhood: 53%

Governance - Pārongo Ā-Tāone

1.1 Governance, information and engagement

Pārongo, kōrerorero whānui me ngā mahi whakataunga

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

What we do:

City governance and engagement

Civic information

City archives.

Our governance, information and engagement activities contribute to us being:

People centred: These activities enhance trust and confidence in civic decision-making and encourage the community to participate in city governance.

Connected: Providing information about our services allows people to use the city's services, facilities and activities.

Key projects

During the year:

- The Council conducted a Representation Review on the ward boundaries and electoral system. The Local Government Commission agreed with Council's decision to retain the existing ward structure, community boards and electoral system.
- We completed preparations for the 2013 local authority elections by updating the ratepayer roll and finalising the contract with electionz.com Ltd for the provision of election processing and electoral officer support services.

- As part of our e-meetings solutions project we upgraded our committee room with collapsible computer screens and rolled out Council DashBoard - a Cloud based solution to deliver meeting documents on iPads for the Mayor and Councillors.
- We consulted on several initiatives and projects ranging from an Alcohol Management Strategy, a homelessness strategy - Te Mahana, a policy and legislative review of the Town Belt, to a design brief for development of north Kumutoto on the waterfront, an Events Policy and various traffic resolutions.
- We led a comprehensive engagement and consultation programme across the city to develop the draft Alcohol Management strategy, of which 277 submissions were received. Key stakeholders included students, licensees, city housing tenants, pacific and ethnic communities, Māori communities, the hospitality and retail industries, Police, the Medical Officer of Health, and residents associations.
- The Council partnered with other councils in the region to examine if a different governance arrangement for the Wellington region would be beneficial for residents and businesses. A working party was established with Greater Wellington Regional Council, Kapiti District Council and Porirua City Council, and it concluded that a single unitary council, with or without the Wairarapa, would best provide the necessary scale to deliver improvements for the region.

Two variations of the preferred model were developed – one with two tiers of representation (incorporating local boards), and the other with a single tier of representation. These two options were consulted on with the community over a six week period from late March to early May 2013.

We agreed with our community that if the governance model was to change, we would recommend a model with a single tier of representation, excluding the Wairarapa, and with small local wards that ensure direct access to local politicians and enhanced accountability.

- The Council adopted its 2013/14 Annual Plan after public consultation that included over 470 public submissions. The plan explains what we will do over the next year, why we plan to do it, how much it will cost and how it will be funded.
- We undertook consultation on the International Relations Policy with central government agencies, foreign government representatives in Wellington, local business agencies and sister-city organisations. The final draft of the policy will be released in August 2013.

City archives

- We identified and digitised a large number of significant plans and documents relating to water supply, drainage and stormwater to support work around our asset planning and management.
- We collaborated with other Councils in the Wellington region to identify how we can deliver or enhance access to archival records across the region. We are also working closely with the Museum of Wellington City and Sea to coordinate what archives they should hold and what should sit with City Archives.
- We worked closely with the Victoria University School of Architecture providing records to support their courses. In particular we provided a package of reference records to be used in first-year studies by students, which reduced multiple enquiries to Archives for the same material and provides an enhanced level of service to the students.

What it cost

	Actual 2013	Budget 2013	Variance 2013	Actual 2012
Operating Expenditure (\$000)				
1.1.1 City Governance and Engagement				
Expenditure	8,161	8,141	(20)	8,383
Revenue	(14)	(12)	2	(30)
Net Expenditure	8,147	8,129	(18)	8,353
1.1.2 Civic Information 1				
Expenditure	5,327	5,587	260	5,422
Revenue	(248)	(198)	50	(244)
Net Expenditure	5,079	5,389	310	5,178
1.1.3 City Archives				
Expenditure	1,283	1,322	39	1,179
Revenue	(208)	(174)	34	(180)
Net Expenditure	1,075	1,148	73	999
Capital Expenditure (\$000)				
1.1.1 City Governance and Engagement				
Expenditure	19	31	12	0
Unspent portion of budget to be carried forward	N/A	0	0	N/A

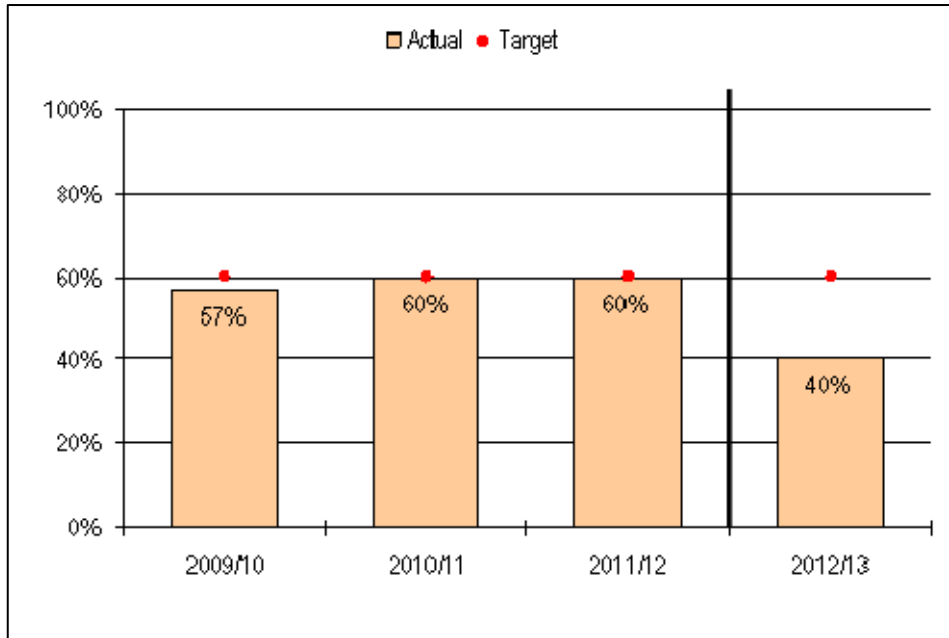
1 Under budget due to lower labour costs.

How we performed

To assess our performance, we ask residents' views on information provision, decision-making, and consultation processes. We also monitor the performance of our Contact Centre at answering calls and emails, and assess user satisfaction with City Archives services and facilities.

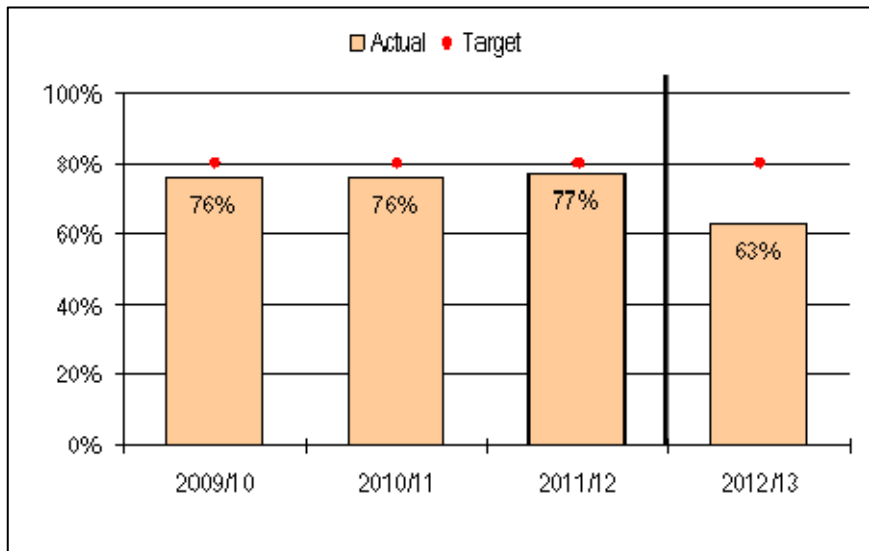
To understand the extent to which the public is informed and engaged

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



Source: WCC Residents' Monitoring Survey 2013

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



Source: WCC Residents' Monitoring Survey 2013

In relation to the above results, the Council is revising its Engagement Policy and developing a plan to improve its approach to consultation and engagement. This will specifically look to address current barriers to people's understanding of our consultation processes and participation in our decision making. We will report on our progress with this plan in our public Quarterly Reports.

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

During the year 14 ePetitions were received. This compared with 18 in 2011/12 and 34 in 2010/2011. Not all ePetitions are accepted as some fail to meet Council criteria (for example, because they deal with issues outside our jurisdiction) and some are withdrawn by the petitioner. Of the 14 ePetitions received, 6 were declined and one was withdrawn. Of those that closed in 2012/2013, a total of 2148 people took part.

There is no target for this performance measure.

Source: WCC Democratic Services

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

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

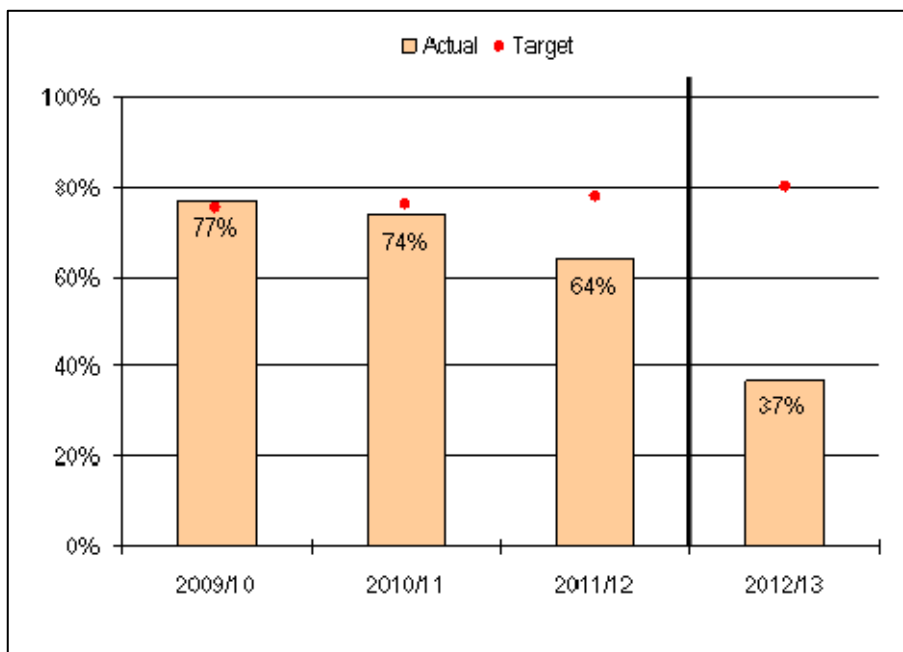
The Local Government Official Information and Meetings Act 1987 requires us to make all agendas and reports available two days before meetings. We have set a higher standard for ourselves by aiming for five days.

The percentage of agendas that are available to the public five days prior to the meetings has been generally improving over time (59% in 2008/2009; 68% in 2009/2010; 75% in 2010/2011; 74% in 2011/12). This year the result has increased to 80%.

All agendas were made publically available at least two days prior to the meetings, which is the legal requirement.

Source: WCC Democratic Services

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



Source: WCC Residents' Monitoring Survey 2013

We designed and launched a new website in February 2013. This may have attributed to residents' finding it more difficult to access information until they became familiar with the new layout. This drop could also be due to the change in survey methodology.

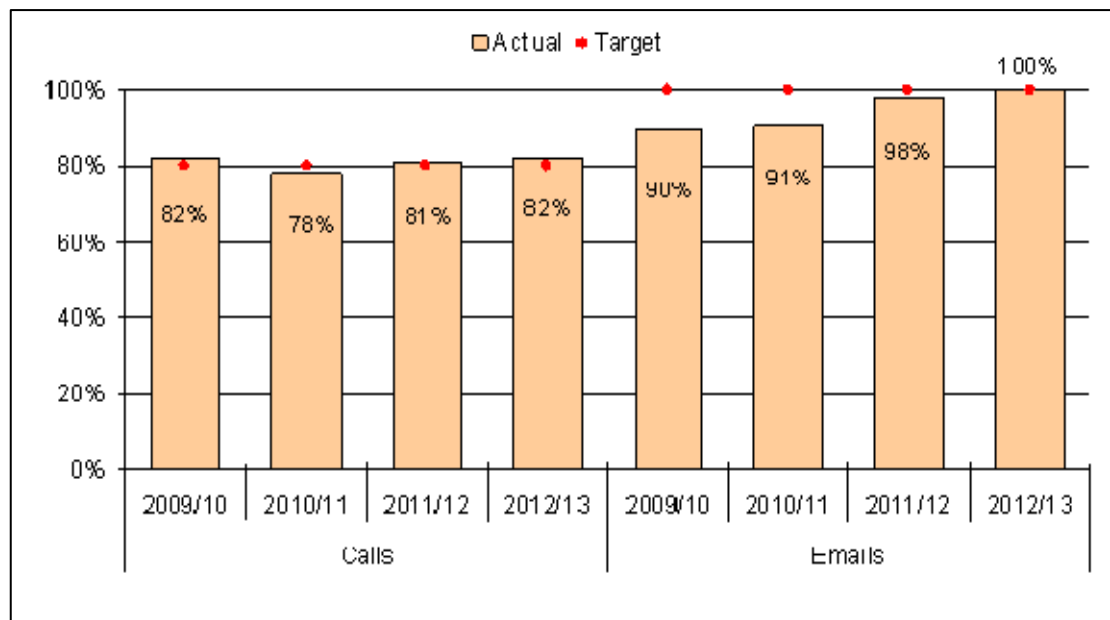
Residents' (%) who agree that the council website is easy to navigate and get information from

Result: 59% of residents that have used the council website in the past 12 months agreed that it was easy to navigate, 52% agreed it was easy to get information from (target: 80%). This was a new measure for 2012/13.

Over the coming year we will be looking at ways to evaluate the effectiveness of the new design layout and information navigation of our website.

Source: WCC Residents' Monitoring Survey 2013

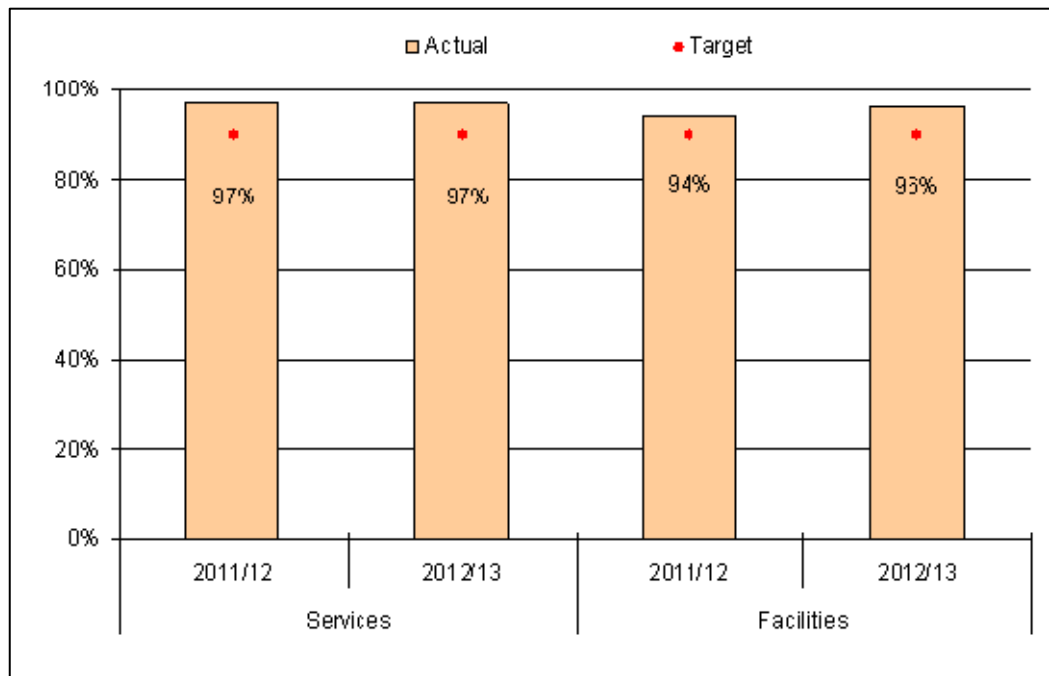
Contact Centre calls that are answered within 30 seconds and emails that are answered within 24 hours



Source: WCC Contact Centre

To measure success at protecting the city's historic information and making it available to the public

User satisfaction with City Archive services and facilities



Source: WCC City Archives

1.2 Māori and mana whenua partnerships

Whai wāhitanga Māori (tae noa ki te mana whenua)

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

What we do:

Māori and mana whenua partnerships

Our Māori and mana whenua partnership activities contribute to us being:

People centred: This activity promotes inclusiveness, celebrates social and cultural diversity, and enables us to respond to the needs and aspirations of Māori and mana whenua.

Key projects

During the year:

- We co-hosted with our iwi partner Taranaki-Whānui ki te Upoko o te Ika, a hui at Pipitea marae for newcomers considering citizenship. Approximately 100 people from many nationalities attended.
- During Māori Language Week (23-29 July) we hosted:
 - Kapa Haka and Kōrero at the City Gallery featuring Ngā Taiohi o te Rāwhiti – Wellington East Girls and Rongotai Colleges kapa haka group.
 - Ngā Tautohetohe (debates) at the City Gallery featuring artists, community and college students.
 - Rangitatau ki Kirikiri Tatangi heritage walk with guides Councillor Ahipene-Mercer and Holden Hohaia.
 - Te Awe Māori Business Network annual cook-off at *Te Raukura*, te wharewaka o Pōneke.
- Te Kōnohete, the public sector kapa haka concert was held in the Town Hall. Twelve kapa haka rōpū participated representing 15 agencies and an estimated 1000 people attended throughout the event.
- Waitangi Day 2013 celebrations were held on the waterfront with the Port Nicholson Block Settlement Trust, our iwi partner.
- We assisted with festivals and community events such as the Te Rā o Kupe festival, the Te Awe Māori Business Network community event, and the Matariki and Māori Language Week festivals.

What it cost

	Actual 2013	Budget 2013	Variance 2013	Actual 2012
Operating Expenditure (\$000)				
1.2.1 Māori and Mana Whenua Partnerships				
Expenditure	222	237	15	227
Revenue	(5)	0	5	(5)
Net Expenditure	217	237	20	222
Capital Expenditure (\$000)				
1.2.1 Māori and Mana Whenua Partnerships				
Expenditure	0	0	0	0

How we performed

We aim to have positive relationships with mana whenua, and high levels of engagement with all Māori in the city. We assess our mana whenua partnerships by carrying out an annual evaluation in which we ask mana whenua organisations about their perceptions of their relationships with the Council, and whether we are meeting our agreed obligations.

To measure the health of our relationship with mana whenua

Mana whenua partner evaluation – satisfaction with Council relationship

Our mana whenua partners perceive their overall relationship with the Council positively. Clear and regular communication and inclusion in meetings and development of policy supports the relationships.

Areas identified for improvement included ensuring appropriate training on the Treaty relationships for politicians and officials, important when there are new elected members and changes in key staff.

In terms of Council's obligations under the Memorandum of Understanding, both mana whenua partners believe it is timely to review the obligations and expectations.

Wellington was perceived to be a great place to do business with a strong tertiary education influence and ease of access to a number of key businesses and professional institutions.

Source: Mana whenua Partners' Relationship Evaluation 2013

We continue to engage our iwi partners regularly on matters of partnership, participation and protection as agreed in our Memoranda of

Understanding with Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira Incorporated.

To measure the engagement of the city's Māori residents

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

Result: 60% of Māori surveyed were satisfied or neutral with regard to their involvement with decision-making (target: 85%. 2011: 78%).

Source: WCC Residents' Monitoring Survey 2013.

Note: We increased the number of Māori sampled for selected questions in the survey. This improves our confidence in the results.

Mayor and Councillors

<p> Celia Wade-Brown (Mayor)</p> <p>City-wide</p> <p>Phone: (04) 938 6691 mayor@wcc.govt.nz</p> <p>Council Appointments</p> <p>Portfolio Leader:</p> <p>Climate Change</p> <p>Information and Communications Technology,</p> <p>Finance</p> <p>Emergency Management</p> <p>The Mayor is an ex officio member of all Committees and Subcommittees</p>	<p> Ray Ahipene-Mercer</p> <p>Eastern ward</p> <p>Phone: (04) 388 2366 ray.ahipene-merc @wcc.govt.nz</p> <p>Meeting Attendance: 94%</p> <p>Council Appointments</p> <p>Portfolio Leader: Arts and Culture</p> <p>Trustee: Wellington Museums Trust</p>	<p> Ngaire Best</p> <p>Northern ward</p> <p>Phone: (04) 232 9000 ngaire.best@wcc.govt.nz</p> <p>Meeting Attendance: 98%</p> <p>Council Appointments</p> <p>Portfolio Leader: Three Waters and Waste</p> <p>Director: Positively Wellington Venues</p> <p>Tawa Community Board (Appointed Member)</p>
<p> Stephanie Cook</p> <p>Lambton ward</p> <p>Phone: (04) 970 5351 stephanie.cook@wcc.govt.nz</p> <p>Meeting Attendance: 91%</p> <p>Council Appointments</p> <p>Portfolio Leader: Social</p> <p>Grants Subcommittee (Chair)</p>	<p> Jo Coughlan</p> <p>Onslow-Western ward</p> <p>Phone: (04) 802 5010 jo.coughlan@wcc.govt.nz</p> <p>Meeting Attendance: 83%</p> <p>Council Appointments</p> <p>Portfolio Leader: Economy</p> <p>Trustee: Positively Wellington Tourism</p>	<p> Paul Eagle</p> <p>Southern Ward</p> <p>Phone: (04) 934 7007 paul.eagle@wcc.govt.nz</p> <p>Meeting Attendance: 96%</p> <p>Council Appointments</p> <p>Portfolio Leader: Community Engagements</p> <p>Director: Positively Wellington Venues</p>
<p> Andy Foster</p> <p>Onslow-Western ward</p> <p>Phone: (04) 476 9220 andy.foster@wcc.govt.nz</p> <p>Meeting Attendance: 85%</p> <p>Council Appointments</p> <p>Strategy and Policy Committee (Chair)</p> <p>Portfolio Leader: Transport (Public Transport and Roading)</p> <p>Director: Capacity</p>	<p> Leonie Gill</p> <p>Eastern ward</p> <p>Phone: (04) 387 9363 leonie.gill@wcc.govt.nz</p> <p>Meeting Attendance: 92%</p> <p>Council Appointments</p> <p>Regulatory and Processes Committee (Chair)</p>	<p> Justin Lester</p> <p>Northern Ward</p> <p>Phone: (04) 478 8264 justin.lester@wcc.govt.nz</p> <p>Meeting Attendance: 97%</p> <p>Council Appointments</p> <p>Portfolio Leader: Community Facilities</p> <p>Director: Wellington Waterfront Ltd</p> <p>Tawa Community Board (Appointed Member)</p>
<p> Simon Marsh</p> <p>Eastern ward</p> <p>Phone: 021 922 196 simon.marsh@wcc.govt.nz</p> <p>Meeting Attendance: 96%</p> <p>Council Appointments</p> <p>Trustee: Wellington Zoo Trust</p>	<p> Ian McKinnon</p> <p>(Deputy Mayor)</p> <p>Lambton ward</p> <p>Phone: (04) 472 6832 ian.mckinnon@wcc.govt.nz</p> <p>Meeting attendance: 100%</p> <p>Council Appointments</p> <p>Performance Review Committee (Chair)</p> <p>Audit and Risk Management Subcommittee (Chair)</p> <p>Portfolio Leader: Governance</p> <p>Director: Wellington International Airport Ltd</p>	<p> John Morrison</p> <p>Onslow-Western ward</p> <p>Phone: (04) 938 9350 john.morrison@wcc.govt.nz</p> <p>Meeting Attendance: 93%</p> <p>Council Appointments</p> <p>Portfolio Leader: Sports and Events</p> <p>Trustee: Wellington Regional Stadium Trust</p> <p>Trustee: Basin Reserve Trust</p>

<p>[insert photo]</p> <p>Iona Pannett Lambton ward Phone: (04) 384 3382 iona.pannett@wcc.govt.nz Meeting Attendance: 99%</p> <p>Council Appointments Development Contributions Subcommittee (Chair) Portfolio Leader: Built Environment</p>	<p>[insert photo]</p> <p>Bryan Pepperell Southern ward Phone: (04) 934 3660 bryan.pepperell@wcc.govt.nz Meeting Attendance: 96%</p> <p>Council Appointments Portfolio Leader: Walking, cycling, motorcycling and safety</p>	<p>[insert photo]</p> <p>Helene Ritchie Northern ward Phone: (04) 473 1335 helene.ritchie@wcc.govt.nz Meeting Attendance: 98%</p> <p>Council Appointments Portfolio Leader: Natural Environment</p>
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Notes to the table:

- The Mayor is an ex-officio member of all committees and subcommittees (that is 11 bodies plus the Wellington Regional Strategy Forum). The conduct of her other Mayoral duties restricts her ability to attend meetings of all these bodies and also the length of time she can be in attendance. Despite this she attended 72% of meetings during the year.
- For information on remuneration and a break-down of remuneration sources refer to Note 42 Related Parties Disclosures. Remuneration
- The meeting attendance figure relates to Council, committee (including Strategy and Policy pre meeting sessions) and subcommittee meetings. Councillors are also appointed to Council-controlled organisations, community boards, working parties, advisory groups and other external bodies. The meeting attendance figures provided do not include councillors' attendance at these meetings. Such meetings can conflict with Council meeting times.

TAWA COMMUNITY BOARD

<p>Malcolm Sparrow (Chair) Meeting Attendance 100% Phone: (04) 232 5030 Mobile: 027 232 2320 Email: malcolm@tawalink.com</p>	<p>Graeme Hansen (Deputy Chair) Meeting Attendance 83% Phone: (04) 232 9784 Mobile: 027 679 0968 Email: graemeh-tcbd@xnet.co.nz</p>
<p>Justin Lester Meeting Attendance 83% Phone: (04) 478 8264 Mobile: 021 247 8312 Email: justin.lester@wcc.govt.nz</p>	<p>Ngaire Best Meeting Attendance 90% Phone: (04) 232 900 Mobile: 027 449 6925 Email: ngaire.best@wcc.govt.nz</p>
<p>Margaret Lucas Meeting Attendance 83% Phone: (04) 232 7284 Email: mm.lucas@xtra.co.nz</p>	<p>Chris Reading Meeting Attendance 75% Phone: (04) 232 8130 Mobile: 027 333 6800 Email: chris.reading@xtra.co.nz</p>
<p>Alistair Sutton Meeting Attendance 92% Phone: (04) 232 2873 Mobile: 027 478 8269 Email: thesuts@xtra.co.nz</p>	<p>Robert Tredger Meeting Attendance 83% Phone: (04) 232 5982 Mobile: 021 181 4499 Email: tredger@slingshot.co.nz</p>

MAKARA / OHARIU COMMUNITY BOARD

<p>Christine Grace (Chair) Meeting Attendance 100% Phone: (04) 476 8176 Mobile: 0274 620 108 Email: gracecp@xtra.co.nz</p>	<p>Gavin Bruce (Deputy Chair) Meeting Attendance 80% Phone: (04) 478 3231 Mobile: 021 906 252 Email: bruceohariu@hotmail.com</p>
<p>Judy Liddell Meeting Attendance 80% Phone: (04) 477 2322 Mobile: 0274 502 009 Email: judyliddell@hotmail.com</p>	<p>Wayne Rudd Meeting Attendance 90% Phone: (04) 476 2283 Mobile: 027 228 8877 Email: wayne.rudd@paradise.net.nz</p>
<p>Margie Scotts Meeting Attendance 60% Phone: (04) 476 6601 Mobile: 0274 620 601 Email: mscotts@xtra.co.nz</p>	<p>Hamish Todd Meeting Attendance 70% Phone: (04) 477 4673 Email: aandhtodd@xtra.co.nz</p>

Environment - Taiao

2.1 Gardens, beaches and green open spaces

Ngā wāhi wātea me ngā mahi papa atawhai

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

What we do

Local parks and open spaces

Botanic Garden

Beaches and coastal operations

Roads open spaces

Town Belt

Community environmental initiatives

Walkways

Biodiversity (pest management)

Our gardens, beaches and green open spaces activities contribute to us being:

People-centred: High quality natural environments enhance Wellington's unique 'sense of place', making it an even better place to live, work and play. They attract visitors and provide attractive, safe and accessible opportunities for leisure and recreation.

Connected: Accessible and high quality natural and green environments encourage people to gather together, share activities and connect with each other. Networks of green spaces and corridors link the city with its coastline and beaches. Conservation connects people with the environment and links the present to the future.

Eco-city: High quality natural and green environments protect and enhance our biodiversity and contribute to offsetting our carbon emissions. They model Wellington's leadership role as capital city of a clean and green New Zealand and as a leading sustainable city of the 21st Century.

Dynamic Central City: High quality natural and green environments accessible within minutes from the central business district attract visitors, and are important for residents' quality of life.

Key projects

During the year:

Parks and open spaces

- We undertook flood protection measures at Prince of Wales Park by installing a stream bund to protect both the sportsfield and residential property adjacent to the park.
- The revegetation programme was branded *Two Million Trees* under the Living City initiative and we planted 44,120 trees.
- The spring turf renovations on all Central Business District lawns were complete in time for the Premiere of the Hobbit.
- We assisted in the trial of a new design of street bin with increased capacity and the capability for mechanised servicing as an alternative to existing bins. The first set of prototype bins have been deployed with performance data being captured for evaluation in 2013/14.
- In partnership with the Cancer Society and the District Health Board we implemented smoke free signage at our playgrounds and sports fields.

We work with over 70 active environmental groups who contribute huge amounts of time and labour to our open spaces.

Botanic Garden

- The seismic strengthening of the Begonia House was completed, and the renewal of the Begonia House Terrace paving is expected to be complete in July 2013.
- The refurbishment and renewals at the Treehouse have created a much more visitor friendly information and exhibition space.
- Another successful Spring Festival was held, the Meet the Curator series and a photographic exhibition at the refurbished Treehouse.
- The storm on 13 June felled two historic macrocarpas and severely damaged two historic gums.
- We held a very successful photographic competition along side the annual Otari Wilton's Bush Open Day. This was well attended with good plant sales and participation in guided walks.
- Along with the Otari Wilton's Bush Trust and the Wellington Botanical Society we developed a Treasure Trail of Otari's taonga plant species.

- Otari Wilton's Bush was reassessed as a 'Garden of National Significance' by the Royal New Zealand Institute of Horticulture.

Beaches and coast

- We complied with the resource consent requirements for Oriental Bay beach by undertaking sand and structure surveys and carrying out two sand redistributions.
- Work began on the replacement of the bearers on the Evans Bay Yacht Club northern boat ramp.
- We constructed sand dune protection fencing at Worsler Bay and completed sand removal at the sea wall.

Town belt

- Council approved the Wellington Town Belt Management Plan and drafting instructions for a Wellington Town Belt Bill. The Bill will strengthen the protection of the Town Belt and modernise its governance arrangements under the Town Belt Deed.
- The Oruaiti reserve upgrade was completed and we held a formal opening of the reserve.

Community environmental initiatives

- A Natural Environment Forum was held on 23 April for our environmental community with over 200 people attending.
- We distributed 28,112 native eco-sourced plants to environmental community groups across the city, for planting as part of ecological restoration projects within the city. We distributed 10,000 plants to private residents under the reserve and road reserve planting schemes.

We involved 2,757 children with planting projects, in collaboration with Zealandia, World Wildlife Fund and the Zoo.

- We ran a hugely successful Wellington Coastal Clean Up that involved over 500 people and collected over five tonnes of rubbish.
- We worked with Victoria University students on environmental research initiatives and signed a memorandum of understanding with Victoria University for a *Growing Graduates* initiative, where they are funding an ongoing planting initiative on Te Ahumairangi Hill.

Walkways

- Key walkway renewals this year included: Johnson Hill Reserve, Te Raikaihau Headland, George Denton Park, Mt Victoria, Eastern Walkway and Te Kopahou Reserve.
- A new track – Te Araroa Walkway – was built as part of Spicer Forest. This track was funded in partnership with Meridian Energy as part of the construction of the access road for the Mill Creek Wind Farm.
- We supported a number of communities with track renewal and track building works.

Biodiversity

- We completed the second year of the south-west peninsula goat control project which is a partnership between Greater Wellington Regional Council, Biodiversity Condition Fund and landowners.
- We focused on continuing our pest plant programme in 33 key native ecosystems across the city. We undertook weed surveys in six key native ecosystems and continued to control high priority weeds in high profile parts of the Town Belt.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
2.1.1 Local Parks and Open Spaces 1				
Expenditure	7,694	8,052	358	7,961
Revenue	(531)	(479)	52	(1,092)
Net Expenditure	7,163	7,573	410	6,869
2.1.2 Botanical Gardens 2				
Expenditure	4,510	4,383	(127)	4,444
Revenue	(379)	(446)	(67)	(384)
Net Expenditure	4,131	3,937	(194)	4,060
2.1.3 Beaches and Coast Operations				
Expenditure	1,020	1,042	22	1,041
Revenue	(51)	(51)	0	(49)
Net Expenditure	969	991	22	992
2.1.4 Roads open spaces 3				
Expenditure	10,070	9,216	(854)	9,706
Revenue	(694)	(552)	142	(603)
Net Expenditure	9,376	8,664	(712)	9,103
2.1.5 Town belts 4				
Expenditure	5,070	4,358	(712)	4,285
Revenue	(422)	(209)	213	(914)
Net Expenditure	4,648	4,149	(499)	3,371
2.1.6 Community environmental initiatives				
Expenditure	389	408	19	421
Revenue	(24)	0	24	(10)
Net Expenditure	365	408	43	411
2.1.7 Walkways				
Expenditure	505	511	6	469
Revenue	0	0	0	0
Net Expenditure	505	511	6	469
2.1.8 Biodiversity (pest management)				
Expenditure	1,123	1,046	(77)	1,111
Revenue	(65)	0	65	(85)
Net Expenditure	1,058	1,046	(12)	1,026
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
2.1.1 Local Parks and Open Spaces 5				
Expenditure	894	925	31	1,893

Unspent portion of budget to be carried forward	N/A	551		N/A
2.1.2 Botanical Gardens 6				
Expenditure	1,065	1,118	53	444
Unspent portion of budget to be carried forward	N/A	320		N/A
2.1.3 Beaches and Coast Operations				
Expenditure	116	116	0	168
Unspent portion of budget to be carried forward		30		
2.1.5 Town belts				
Expenditure	155	116	(39)	276
Unspent portion of budget to be carried forward	N/A	0		N/A
2.1.7 Walkways 7				
Expenditure	441	339	(102)	337
Unspent portion of budget to be carried forward	N/A	0		N/A

1 Under budget due to lower depreciation costs.

2 Over budget due to lower shop revenue and higher labour costs

3 Over budget as a result of the one-off impact of restructuring costs.

4 Over budget due to clean up costs following the severe storm in June.

5 Under budget due to delays in the planning and consent phase for the Halfway house restoration. Also works funded by the Charles Plimmer bequest at Watts Peninsular have been delayed due to ongoing discussions with Central Government agencies.

6 Under budget due to delays replacing paving at the Begonia House, this work is now underway and expected to be complete in the early part of the 2013/2014 year. Also some delays have occurred in the renewal programme.

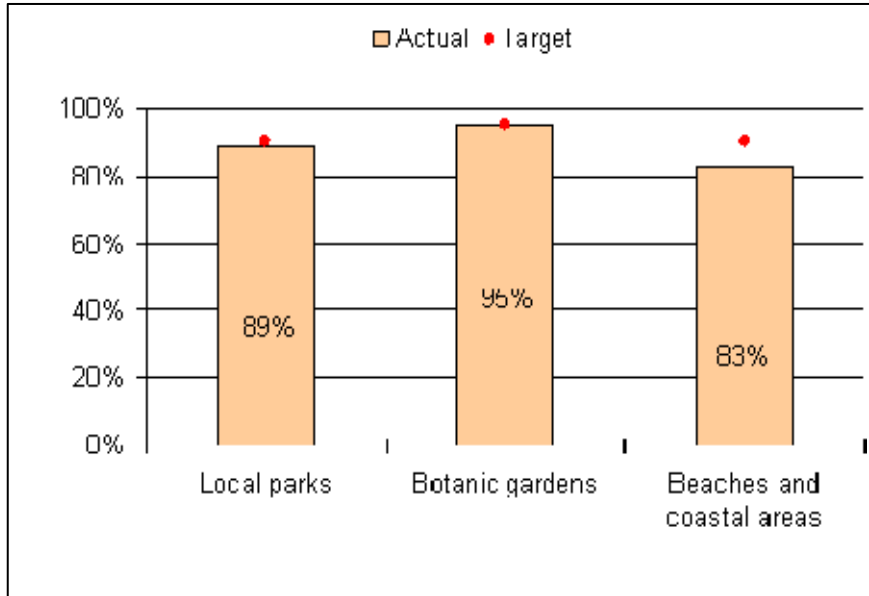
7 Over budget as additional work has been completed in Spicer Forest funded by Meridian Energy.

How we performed

We aim to protect Wellington's ecology and unique natural environment while keeping the city's open spaces, parks, gardens, beaches attractive and accessible and safe. We assess our performance by measuring compliance with quality standards and surveying residents' use of, and satisfaction with local parks, gardens, beaches and open spaces. We also measure the amount of restorative planting and pest management that takes place.

To measure the standard of the open spaces we provide

Residents' (%) satisfaction with the quality and maintenance of local parks, gardens and beaches



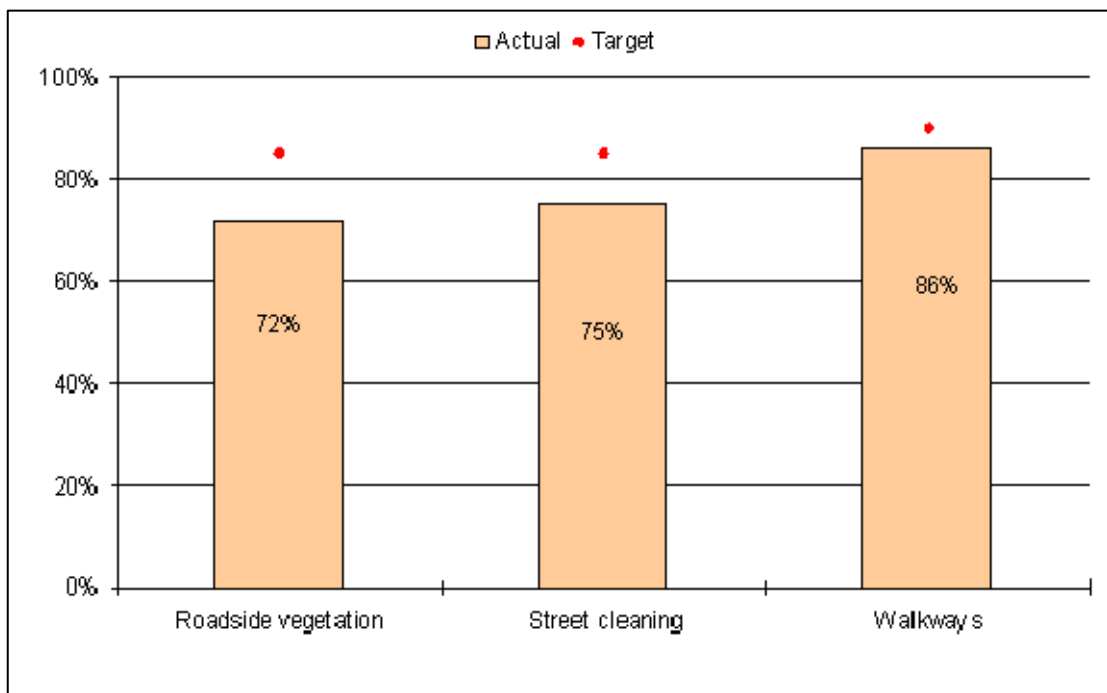
Source: WCC Residents' Monitoring Survey 2013

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

Result: 80% (target: 90%; 2011/12: 94%; 2010/11: 94%).

Source: WCC Residents' Monitoring Survey 2013

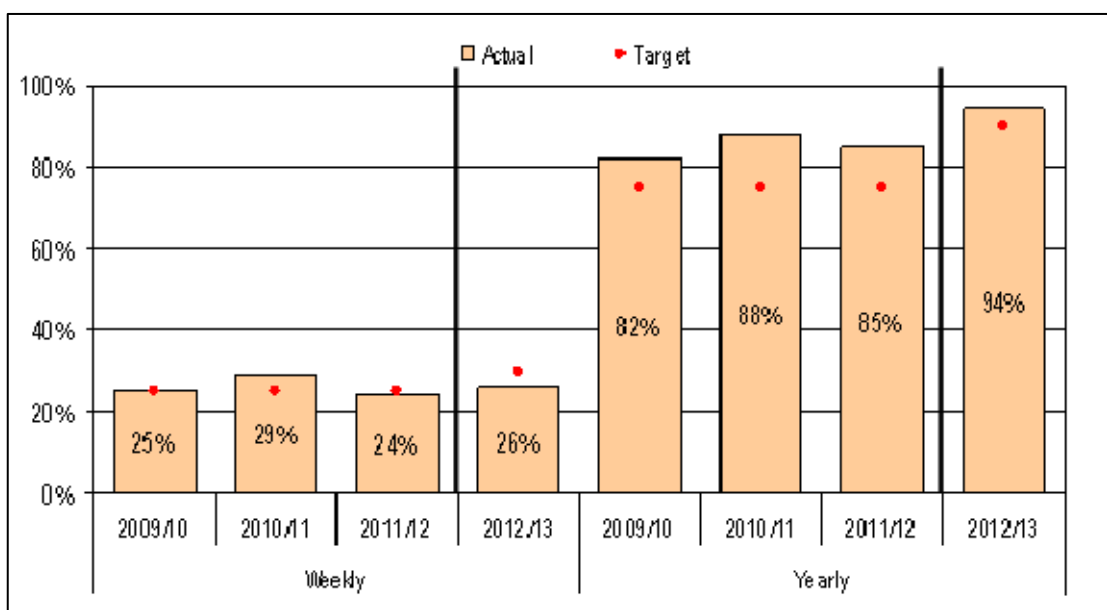
Residents' (%) satisfaction with the quality and maintenance of green open spaces



Source: WCC Residents' Monitoring Survey 2013

To measure the utilisation of the open spaces we provide

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



Source: WCC Residents' Monitoring Survey 2013

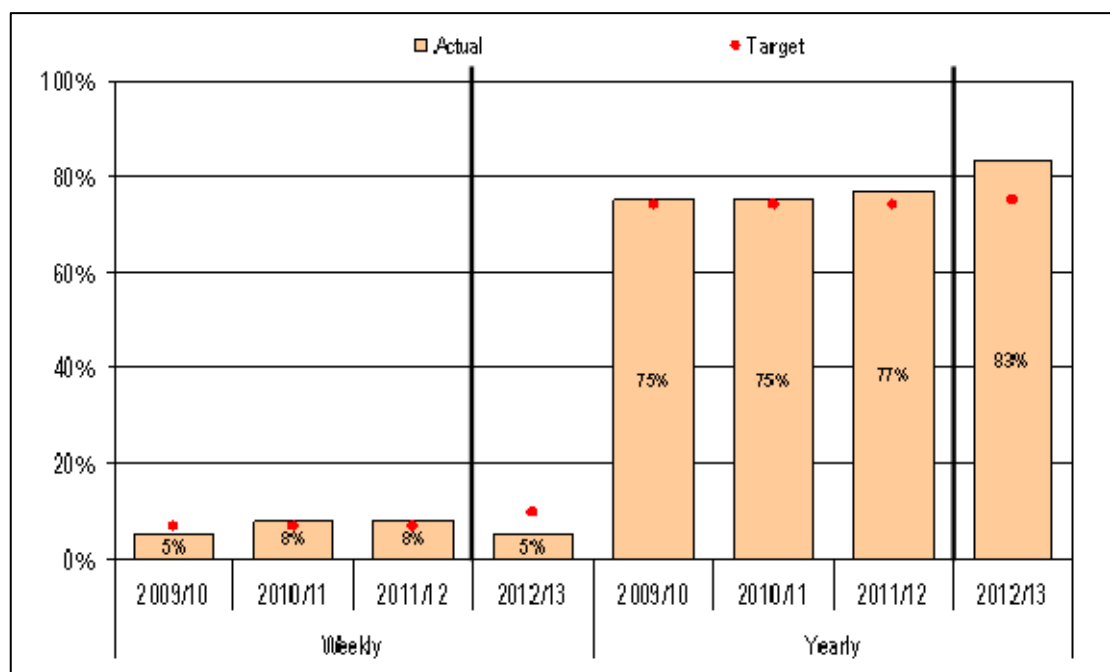
Number of visitors to the Botanic Garden

Result: 1,141,398 (target: 1,200,000).

This is a new measure. Visitor numbers to the Botanic Garden include estimates based on last year. The counters were not been working correctly since August 2012. Three new counters were installed in April. Visitor numbers during May and June were 68% better than projected.

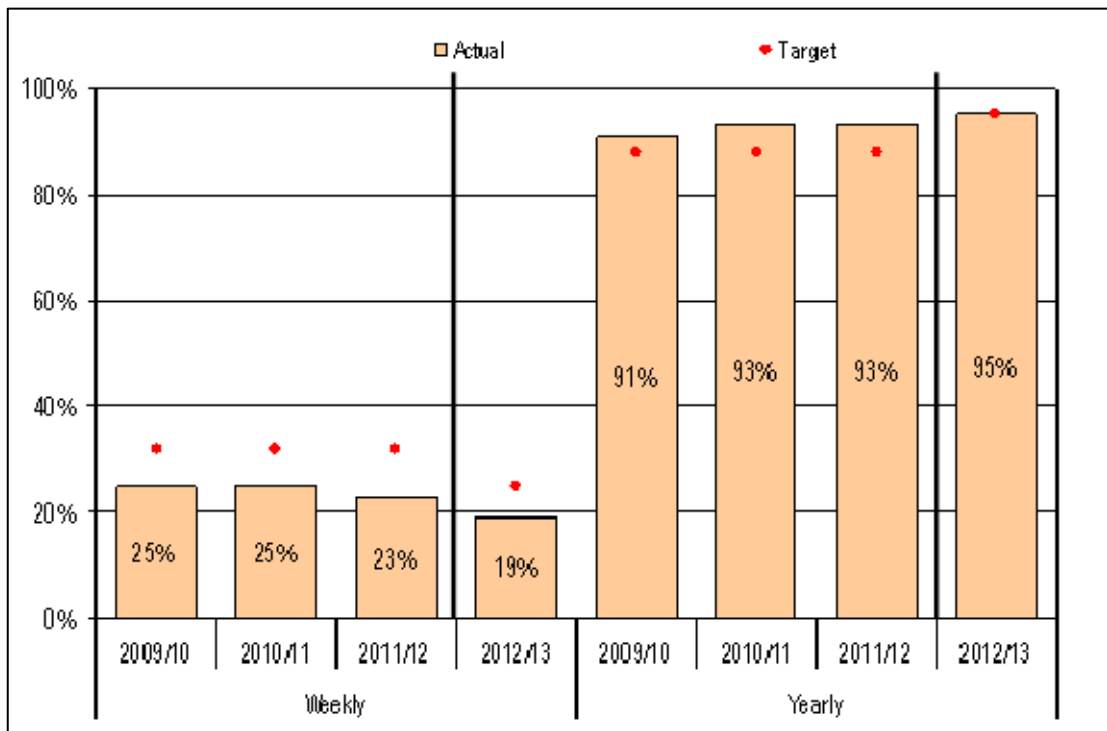
Source: Botanic Garden

Residents' frequency (%) of usage of Botanic Garden (yearly and weekly)



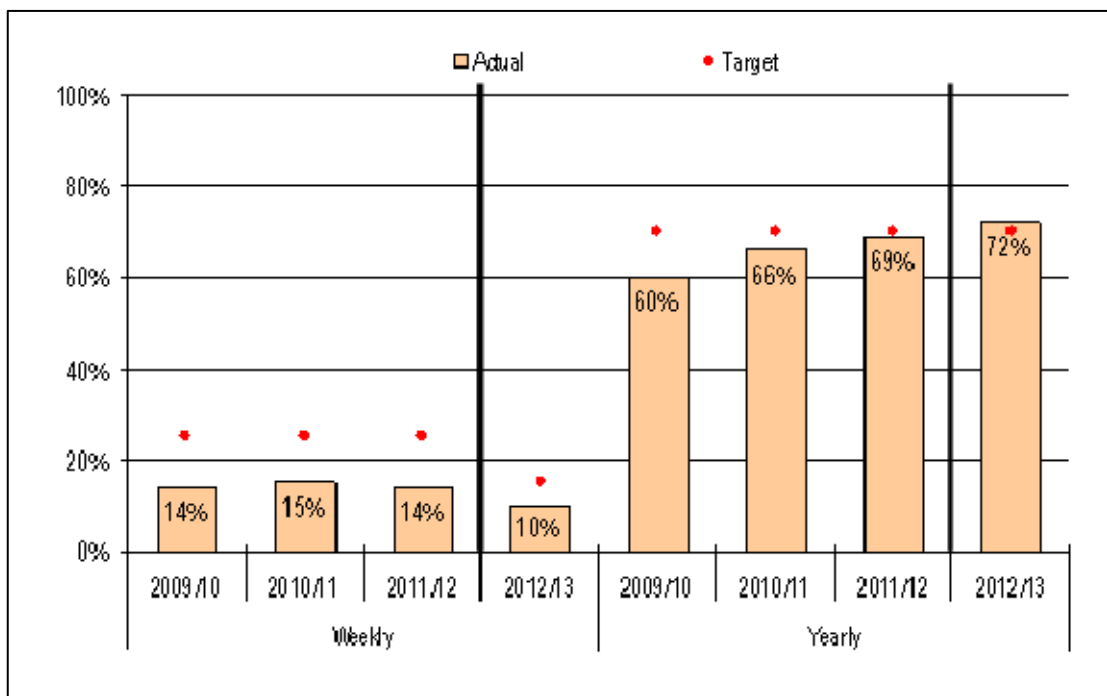
Source: WCC Residents' Monitoring Survey 2013

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



Source: WCC Residents' Monitoring Survey 2013

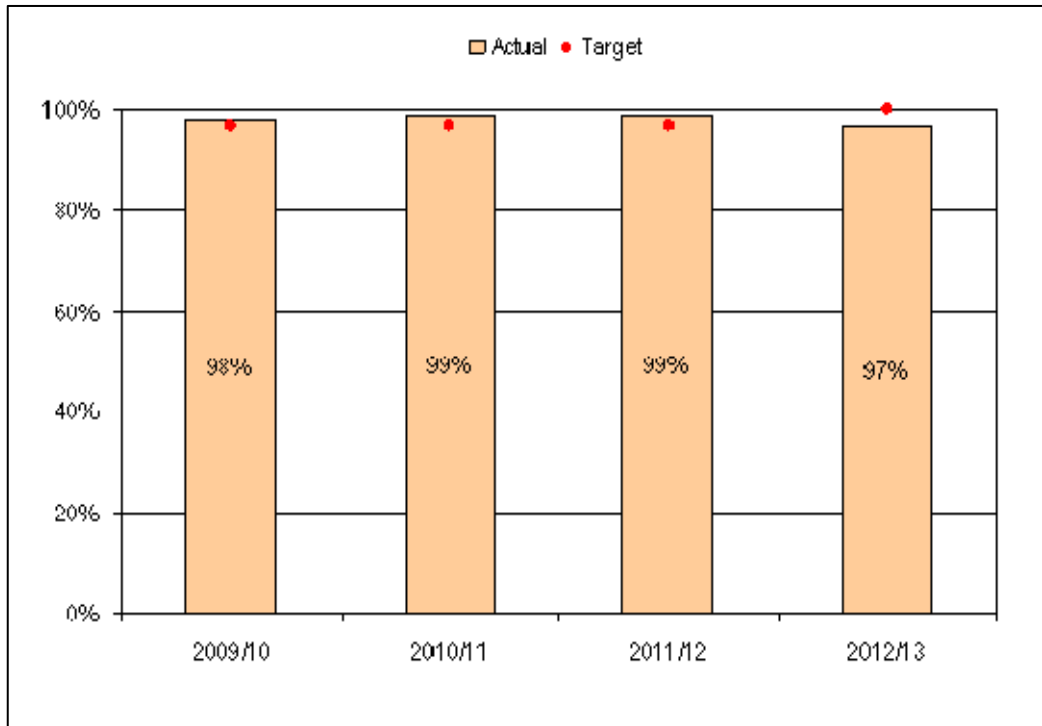
Residents' frequency (%) usage of walkways (yearly and weekly)



Source: WCC Residents' Monitoring Survey 2013

To measure the standard of the street cleaning service

Street cleaning (%) compliance with quality performance standards



Source: WCC CitiOperations

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

Total number of native plantings undertaken by WCC

Result: 41,155 (target: 45,000)

Source: WCC Parks and Gardens

Total number of native plants provided by WCC for community planting

Result: 32,162 (target: 30,000)

Source: WCC Parks and Gardens

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

Result: 52% (target: 52%)

Source: WCC Parks and Gardens

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

Result: 100% (target: 95%).

Source: WCC Community Networks

2.2 Waste reduction and energy conservation

Whakaiti para, hangarua me te pena pūnga

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

What we do

Energy efficiency and conservation

Closed landfill aftercare

Waste minimisation, disposal and recycling

Our waste reduction and energy conservation activities contribute to us being:

People-centred: Developing funding partnerships with key stakeholders to insulate Wellington homes improves the health and the quality of life of Wellington's residents. Collaboration between the Council and the community to reduce waste and increase recycling promotes community ownership of sustainable management of the environment.

Eco-city: Reduced waste and increased waste recycling and organic composting minimises the use of landfills and promotes the sustainable management of resources. A focus on energy efficiency for the city's households and business will reduce costs and reduce its greenhouse gas emissions. Developing partnerships and encouraging policies for continued development of renewable energy in the city will be crucial for the Council's Eco-City aspirations.

Dynamic Centre City: Facilitating greater construction of Greenstar rated buildings in the city centre, energy efficiency retrofits of central city office buildings and businesses as well as the uptake of emerging "green" technologies will allow Wellington to showcase its Eco City credentials.

Students on the Building Science course at Victoria University carried out energy audits at our branch libraries. Following on from this, we had a young professional from the Sustainable Building Council collaborate on

further research into the students' findings, and made recommendations to reduce energy use at branch libraries.

Key projects

During the year:

- A major part of our focus and as outlined in the Regional Waste Management and Minimisation Plan goes towards improving the diversion of waste from landfills. We look to identify where we can increase the yield of recyclable material.

This year an estimated 12,000 tonnes of recyclables were diverted from the landfill through the Council domestic kerbside recycling service. 800 tonnes of organic food waste was diverted from landfills through the Council's Kai to Compost food waste collections service, and through the Council Compost Operations, 8,500 tonnes of green waste was processed.

- Schools, nurseries and other not-for profit organisations are now fully embedded in the Council's recycling and landfill diversion policies.
- Kai to Compost has grown from a few cafes in Wellington's central business district, to an average of 190 wheelie bins of food waste per week collected and diverted from the Southern Landfill. We are expecting to double our current Kai 2 Compost customer base and volumes from the current 800 tonnes to 1600 tonnes.

Partnering with Envirocomp

We are working in partnership with New Zealand's first nappy composting service, Envirocomp. Nappies as a single use item are a divertible waste stream from landfills, and Envirocomp is a local entity that has provided a network of nappy collection points for Wellingtonians. The service is provided for users who are willing to pay a nominal fee to have nappies recycled, rather than disposed of to landfill. The Council has subsidised the first 5,200 nappy recycling bags sold in the city, and have a drop off point at the Southern Landfill recycling centre.

- The Council run compost operations were selected by Waste Minz to host the site visit for the Waste Minz Mid-Year Round Up 2013. The visit was attended by national representatives from the waste minimisation industry and had a focus on organic waste diversion and the Council's Kai to Compost food waste collections service.

Energy

- This year we participated in All-of-Government procurement for electricity, and obtained better overall pricing for two categories of supply. Separate contracts for smaller and larger sites commenced in February 2013 and run for two and three years respectively.
- Our main effort to reduce electricity use this year centred on lighting. We changed a large number of inefficient lamps in the civic administration building, and in parts of the central library installed more efficient fittings. We also carried out numerous other electricity conservation measures such as correcting problems where equipment was running unnecessarily, and installing a more efficient heating system at the Botanic

Garden Tree House. Eliminating overnight use and good housekeeping at a large building at the southern landfill reduced consumption by half and we were able to down-grade the supply to a lower rating category.

- The Council partnered with Energy Efficiency and Conservation Authority (or EECA) and the Capital Coast District Health Board (CCDHB) to fund 220 retrofits of low-income housing in Wellington. The Warm Up Wellington programme was delivered through the Sustainability Trust.
- We continued to deliver the Home Energy Saver programme in partnership with Capacity. The programme resulted in over 635 home energy assessments to Wellington households and 364 of these customers installed an energy efficiency measure on-the-spot (over 680 low energy light bulbs, 255 efficient shower heads and 154 draught-proof measures).

What it costs

	Actual 2013	Budget 2013	Variance 2013	Actual 2012
Operating Expenditure (\$000)				
2.2.1 Waste minimisation, disposal and recycling management 1				
Expenditure	10,711	11,845	1,134	11,244
Revenue	(12,079)	(11,828)	251	(11,962)
Net Expenditure	(1,368)	17	1,385	(718)
2.2.2 Closed landfills aftercare 2				
Expenditure	(728)	479	1,207	(181)
Revenue	0	0	0	0
Net Expenditure	(728)	479	1,207	(181)
2.2.3 Energy efficiency and conservation				
Expenditure	0	0	0	173
Revenue	0	0	0	0
Net Expenditure	0	0	0	173
	Actual	Budget	Variance	Actual
Capital Expenditure (\$000)	2013	2013	2013	2012
2.2.1 Waste minimisation, disposal and recycling management 3				
Expenditure	488	530	41	1,103
Unspent portion of budget to be carried forward	N/A	933		N/A
2.2.2 Closed landfills aftercare				
Expenditure	0	0	0	0
2.2.3 Energy efficiency and conservation				
Expenditure	44	76	32	97
Unspent portion of budget to be carried forward	N/A	19		N/A

1 Under budget due to receipt of an unbudgeted distribution payment from the Spicer Landfill joint venture, and higher volumes of general waste through the landfill than budgeted.

2 Under budget as the annual reassessment of future closed landfill monitoring costs resulted in a reduction in the provision which shows as income in our financial statements.

3 Under budget due to delays in the submission of the resource consent lodgement for the stage 4 extension of the southern landfill, and delays to the implementation of the bin trial project.

How we performed

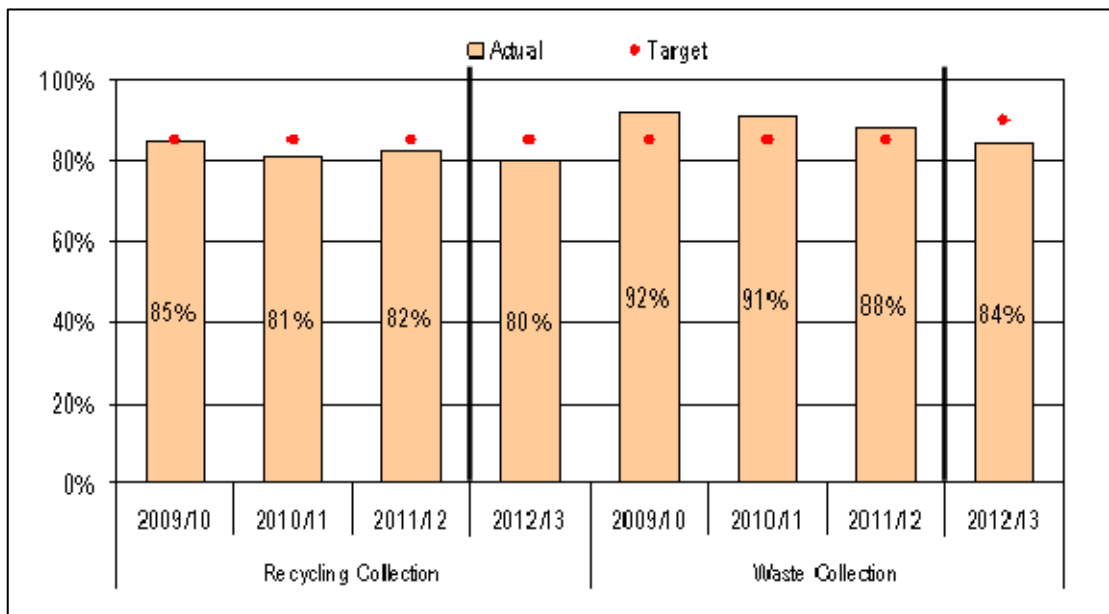
We have an active energy management programme that helps us monitor energy use across all of our energy accounts and identify and implement energy savings projects. We have a fleet management programme that is constantly looking to optimise fleet use and also improve driver performance for safety and fuel use outcomes.

We assess energy efficiency activities by measuring city and Council greenhouse gas emissions and Council energy use.

We assess our effectiveness in waste disposal and minimisation by monitoring resource consent compliance and by measuring resident use of, and satisfaction with, waste management activities.

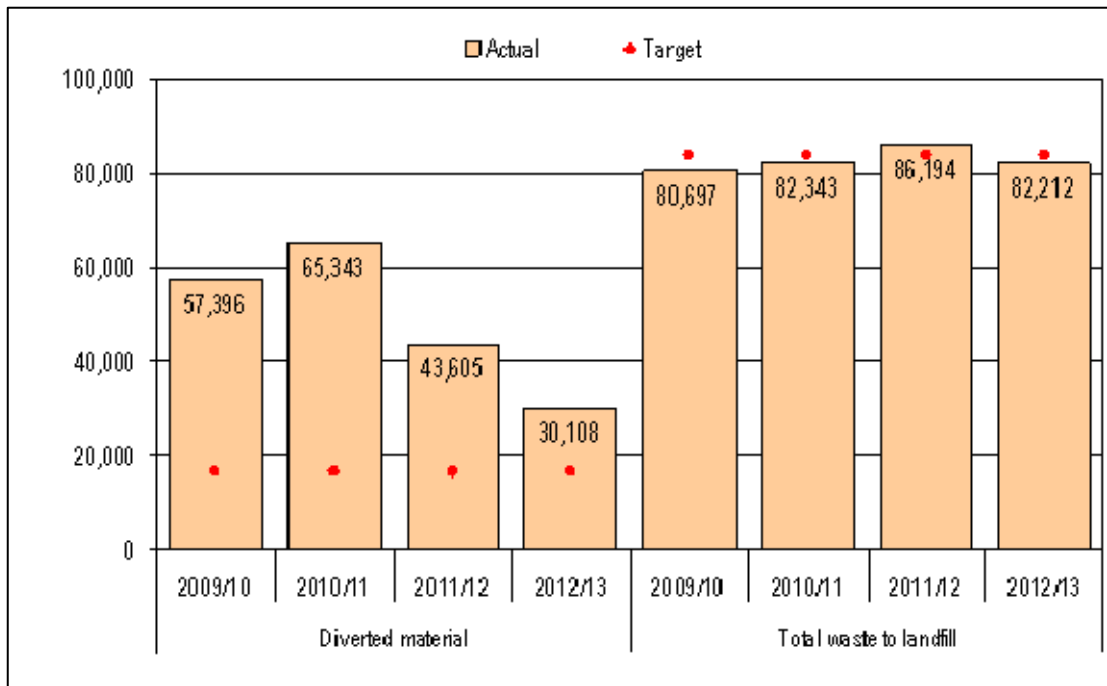
To measure how well we provide and encourage the use of recycling services to divert valuable material from the waste stream

Resident (%) satisfaction with recycling and waste collection



Source: WCC Residents' Monitoring Survey 2013

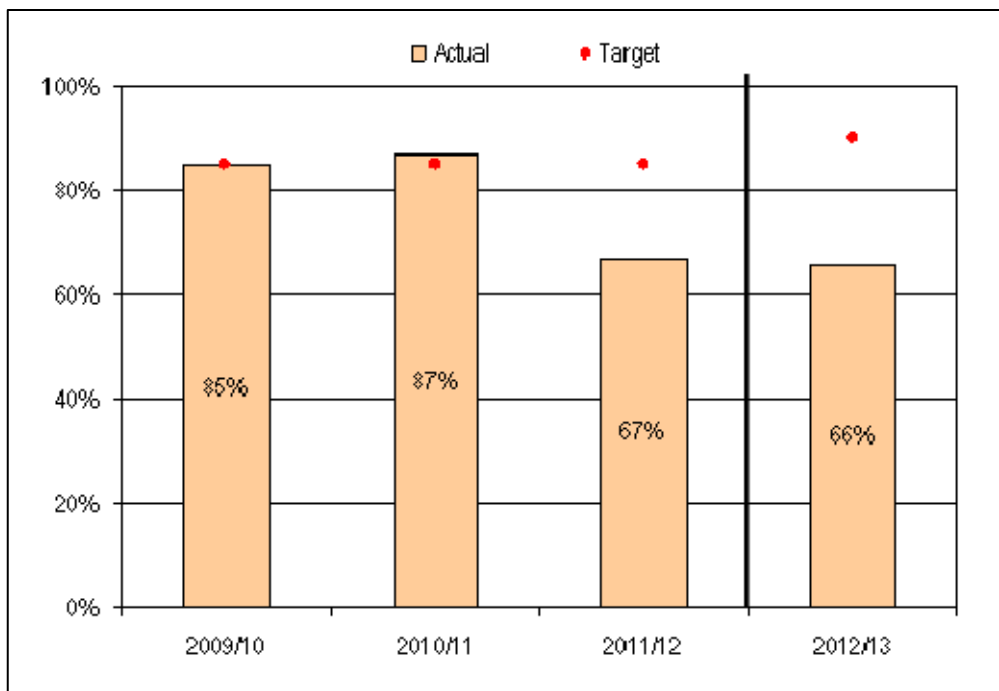
Waste diverted from the landfill vs. total waste to the landfill (tonnes)



Note: Diverted material includes kerbside recycling and inflows of soils that are able to be diverted.

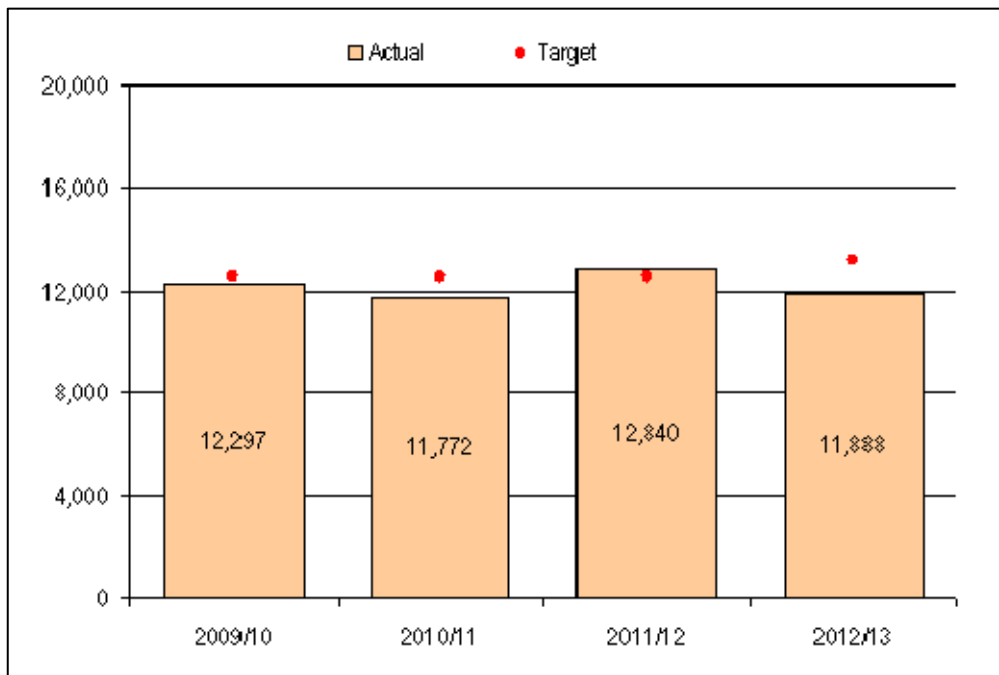
Source: WCC CitiOperations

Residents' (%) weekly usage of kerbside recycling collection service



Source: WCC Residents' Monitoring Survey 2013

Kerbside recycling collected (tonnes)



Source: WCC CitiOperations

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

Energy sourced from the Southern Landfill

Result: 5.2 GWh (target: 8 GWh, 2011/12: 8.3GWh; 2010/11: 7.4GWh)

There was a lack of gas produced in the landfill due to the drought experienced over the summer months. A lack of rainfall means there is no leachate to promote the breakdown of organic matter.

Source: Nova Energy

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

Result: 80% (target: 85%; 2011/12: 78%; 2010/11: 82%).

Source: WCC Residents' Monitoring Survey 2013

To measure energy use at Council sites

WCC corporate energy use (electricity and natural gas)

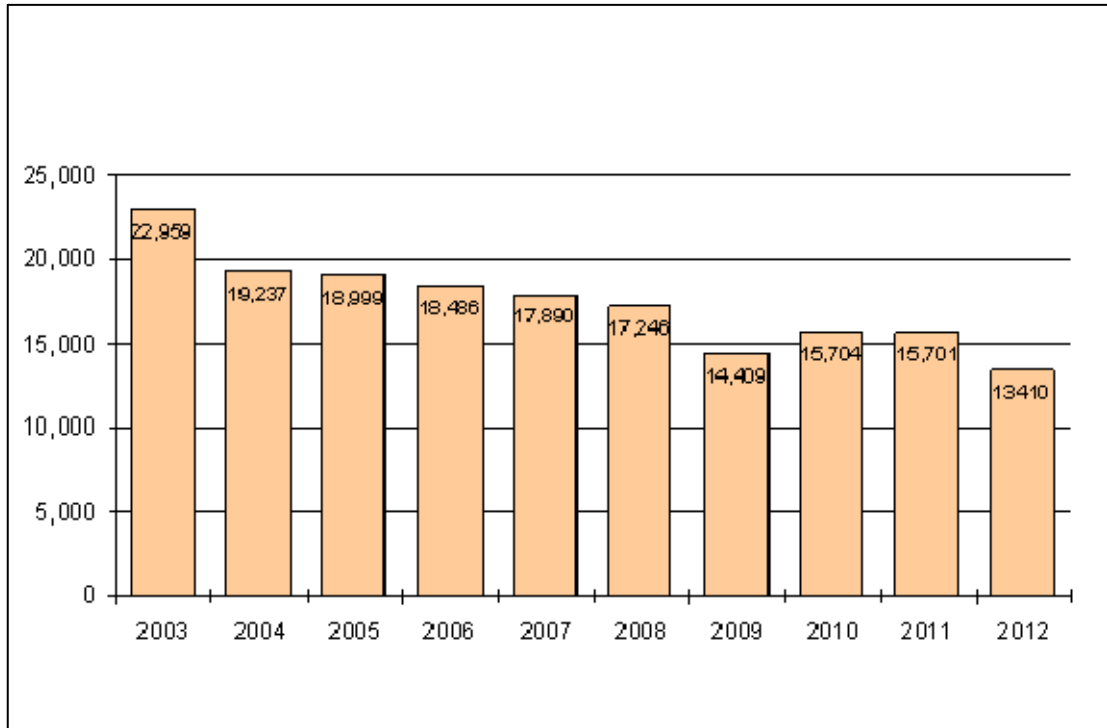
Properties	Target	Result	Explanation of Variance
WCC general (now includes all gas and large electricity sites)	No historic data	18,344,189 kWh	
WCC Pools and recreation facilities	decrease from previous year (17,375,246 kWh)	17,887,367 kWh	2012-13 results were above target because of the re-opening of the Tawa pool which had been closed for a long period in 2011-12. We also opened a new hydrotherapy pool at Wellington Regional Aquatic Centre and an additional learner pool at Karori.
Main CCOs	No historic data	9,963,836 kWh	Changed to include Museums Trust, Wellington Venues, Wellington Waterfront and Zoo Trust.

The warmer weather in summer resulted in a higher than normal demand for air conditioning, which resulted in higher electricity use over the third quarter.

With regard to gas use, we implemented a number of savings. A boiler combustion controller proved effective, and the City Gallery was able to greatly reduce its gas use due to the nature of the exhibitions it held. Under the renewals programme, we installed a new efficient condensing boiler at the Begonia House of the Botanic Garden.

To measure the reduction of the Council's environmental footprint

WCC Corporate greenhouse gas emissions (Tonnes CO₂ –e)



Note: the table above compares emissions from the following sources over a time series: diesel, petrol, electricity, gas, lpg, flights and Southern Landfill. This does not represent the Council's full corporate greenhouse gas inventory but rather a comparison of emissions sources over time.

We are planning to conduct an audit and/or certification of our emissions inventory in the 2013/14 year to be reported on in the 2013/14 annual report. This will use best practice standards for corporate emissions measurement and reporting.

Source: WCC Climate Change Office

Number of carbon credits generated from Council reserves per annum

Result: 149,979 (target: 5,000). In addition to its annual allocation of units for post-1989 forests placed either in the Emissions Trading Scheme or the Permanent Forest Sink Initiative, the Council also received a large quantity of one-off units in 2012/13 relating to its pre-1990 forests.

Source: New Zealand Emission Unit Register account

2.3 Water

Wai

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

What we do

Water network

Water collection and treatment

Our water activities contribute to us being:

People-centred: A reliable and adequate supply of clean and safe water is critical for the health, wellbeing and prosperity of everyone in Wellington and increasingly will distinguish Wellington from other cities as a desirable place to live, work and play.

Dynamic Central City: A reliable and adequate supply of clean and safe water is critical for people to live, work study and play in the central city and increasingly it will distinguish Wellington from other cities as a desirable and healthy place to live and establish a business.

Connected: A reliable and adequate supply of clean and safe water is a core requirement of a connected city in the 21st Century.

Key projects

During the year:

- The Hospital Prince of Wales reservoir project is to construct a 35 million-litre buried concrete reservoir that will provide emergency water storage for Wellington Hospital. All Wellington's bulk water supply pipelines cross major earthquake faults and total disruption to the city's water supply is possible in the event of a severe earthquake. This reservoir is part of on-going work to improve Wellington City's water supply storage in case of an emergency and will be built to modern seismic standards. Preliminary design work including site survey, geotechnical, conceptual option and site seismic assessments have been completed. The resource consent process that includes public consultation is scheduled to commence in the coming year.
- Seismic upgrades of the Carmichael (Newtown), Newland No 2, Johnsonville No 1 reservoirs were completed whilst the Messines Road reservoirs were replaced with new reservoirs of increased capacity, all to improve the resilience of the water supply network. Pipe network renewals were completed in Tasman

Street, Karori, Johnsonville, Tawa, Churton Park and in the Central Business District. Three water pump stations were upgraded in Miramar.

- We carried out leak detection work in Johnsonville, Thorndon, Highbury, Karori East and West, Seatoun, Onslow, Brooklyn, Roseneath, Broadmeadows and Hataitai.

What it costs

	Actual 2013	Budget 2013	Variance 2013	Actual 2012
Operating Expenditure (\$000)				
2.3.1 Water Network 1				
Expenditure	24,272	23,833	(439)	23,656
Revenue	(1,558)	(32)	1,526	(1,360)
Net Expenditure	22,714	23,801	1,087	22,296
2.3.2 Water Collection and Treatment				
Expenditure	13,396	13,472	76	13,012
Revenue	(4)	0	4	(3)
Net Expenditure	13,392	13,472	80	13,009
Capital Expenditure (\$000)				
2.3.1 Water Network 2				
Expenditure	12,170	11,990	(180)	12,223
Unspent portion of budget to be carried forward	N/A	397		N/A

1 Under budget due to the recognition of unbudgeted vested asset income.

2 Under budget due to delays in the Hospital Prince of Wales reservoir project.

How we performed

We aim to supply safe, reliable drinking water. We measure our effectiveness by monitoring water consumption, residents' satisfaction with water quality and the water network, compliance with New Zealand Drinking Water Standards and response times for service requests.

To measure the quality of water supplied to residents

Compliance with Drinking Water Standards for New Zealand 2005

Compliance was achieved with the NZ drinking water standards for all of the City's water grading zones.

Source: Capacity Infrastructure Services Ltd

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

Result: 81% (target: 90%; 2011/12: 84%; 2010/11: 85%).

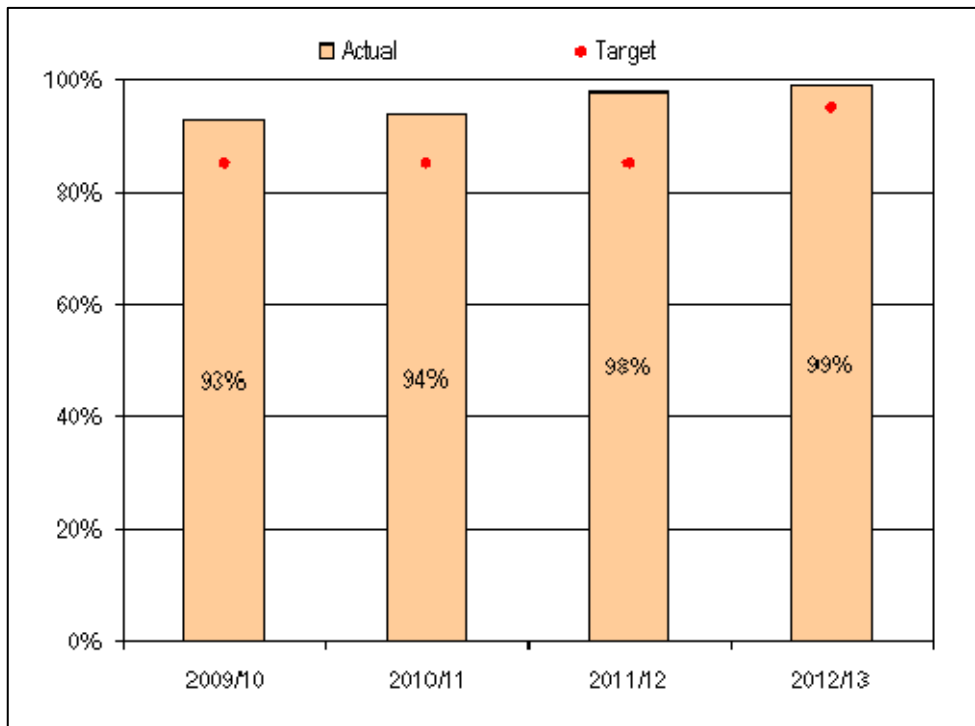
Source: WCC Residents' Monitoring Survey 2013

Customer complaints regarding water quality (taste and odour)

Result: 165 complaints (target: fewer than 200, 2011/12: 202; 2010/11: 289)

Source: Capacity Infrastructure Services Ltd

Customer satisfaction (%) with water quality and network service



Source: Capacity Infrastructure Services Ltd

To measure the performance of services that ensure security of supply

Water pressure

Result: 96% of properties had appropriate water pressure i.e. minimum 250kPa (target 97%; 2011/12: 96%; 2010/11: 96%).

Source: Capacity Infrastructure Services Ltd

Fire hydrants

Result: 95% of fire hydrants tested met New Zealand Fire Service Code of Practice fire fighting water supply requirements (target: 100%; 2011/12: 100%).

Source: Capacity Infrastructure Services Ltd

Water distribution network – quality grading

Result: all parts of the network retained the grading of ‘a’ to ‘b’ in the Ministry of Health quality grading (target: ‘a’ to ‘b’ grading).

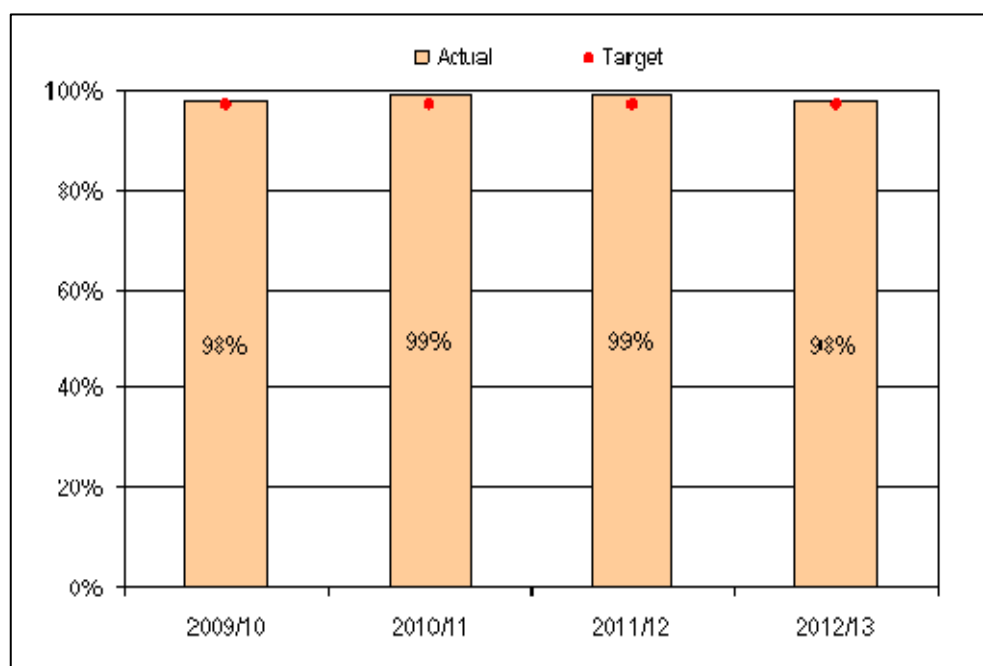
An ‘a’ grading refers to assets that are completely satisfactory with negligible or very low levels of risk.

A ‘b’ grading refers to assets that are satisfactory with very low levels of risk. A ‘c’ grading refers to assets that are marginally satisfactory with moderate-low risk.

In 2008, the Ministry of Health graded the entire network. Annually, they ensure this grading has been retained by reviewing the Council’s replacement and/or maintenance of water pipes.

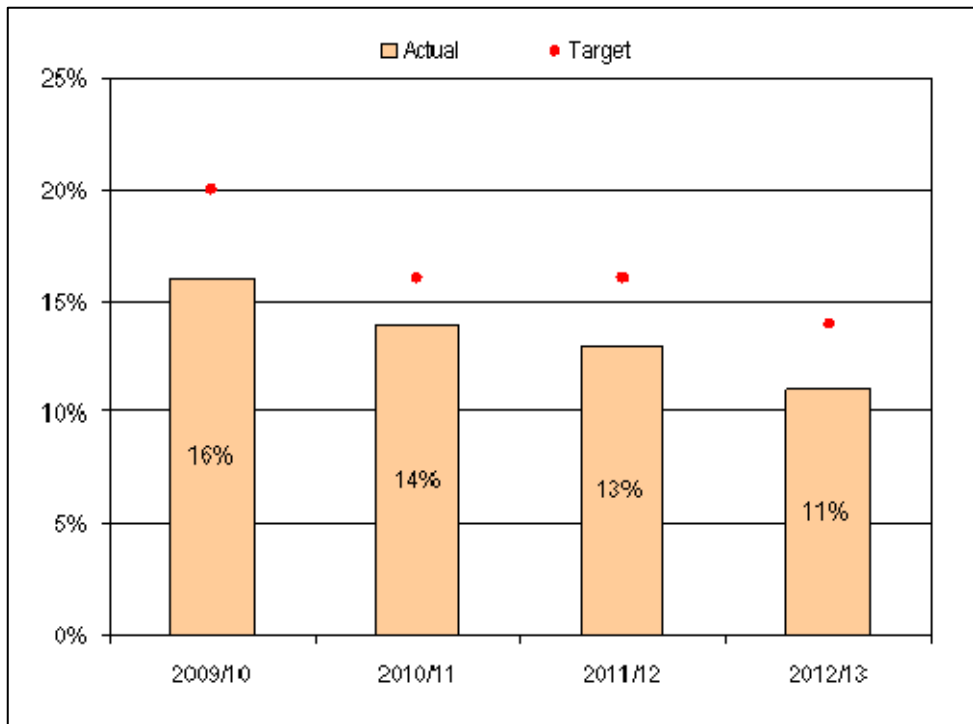
Source: Capacity Infrastructure Services Ltd

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



Source: Capacity Infrastructure Services Ltd

Unaccounted for water (%) from the network



Source: Capacity Infrastructure Services Ltd

Residential water consumption (per person per day)

Result: 288 litres per person per day (target: 292 litres per person per day; 2011/12: 282; 2010/11: 297).

Source: Capacity Infrastructures Services Ltd

Total city water consumption during the year

Result: 26.6 billion litres (target: less than 30 billion litres; 2010/11: 28.4 billion litres). Water conservation measures, leak detection and remediation have reduced the total water usage.

Source: Capacity Infrastructures Services Ltd

2.4 Wastewater

Parawai

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

What we do

Sewage collection and disposal

Sewage treatment

Our wastewater activities contribute towards us being:

People-centred: A safe and reliable wastewater network provides protection against public health risks

Eco-city: A safe and reliable wastewater network provides protection against environmental harm

Dynamic Central City: A safe, reliable and well maintained wastewater network will function effectively and not cause disruptions to inner city living and business activities. This is a core component of every successful city in the 21st Century.

Key projects

During the year:

- Wastewater network renewals were completed at seventeen locations throughout the city and nine wastewater pump stations were upgraded.
- The Moa Point Wastewater Treatment Plant had a short outfall discharge during a storm in May. This was caused by extremely high levels of suspended solids entering the plant and blocking the step screens. If the short outfall had not been used there would have been significant damage done to the wastewater treatment. We have carried out operational changes at the plant to reduce the number of short duration overflows.
- Toxic waste dumping occurred in the Karori catchment. Investigations into the source are underway, and to date effects at the Western Wastewater Treatment Plant have been minimal.

What it costs

	Actual	Budget	Variance	Actual
Operating Expenditure (\$000)	2013	2013	2013	2012
2.4.1 Sewage collection and disposal network 1				
Expenditure	17,277	16,998	(279)	16,315
Revenue	(1,892)	(595)	1,297	(2,780)
Net Expenditure	15,385	16,403	1,018	13,535
2.4.2 Sewage treatment 2				
Expenditure	21,877	21,590	(287)	21,847
Revenue	(378)	(657)	(279)	(1,262)
Net Expenditure	21,499	20,933	(566)	20,585
Capital Expenditure (\$000)	Actual	Budget	Variance	Actual
	2013	2013	2013	2012
2.4.1 Sewage collection and disposal network 3				
Expenditure	6,882	7,117	236	8,069
Unspent portion of budget to be carried forward	N/A	831		N/A

1 Under budget due to the recognition of unbudgeted vested asset income.

2 Variance is due to the consolidation of the Porirua Waste Water Treatment Plant Joint Venture. This variance is partially offset by lower landfill costs as a result the de-watering process reducing the mass of sludge transferred to the landfill, and lower than budgeted depreciation costs.

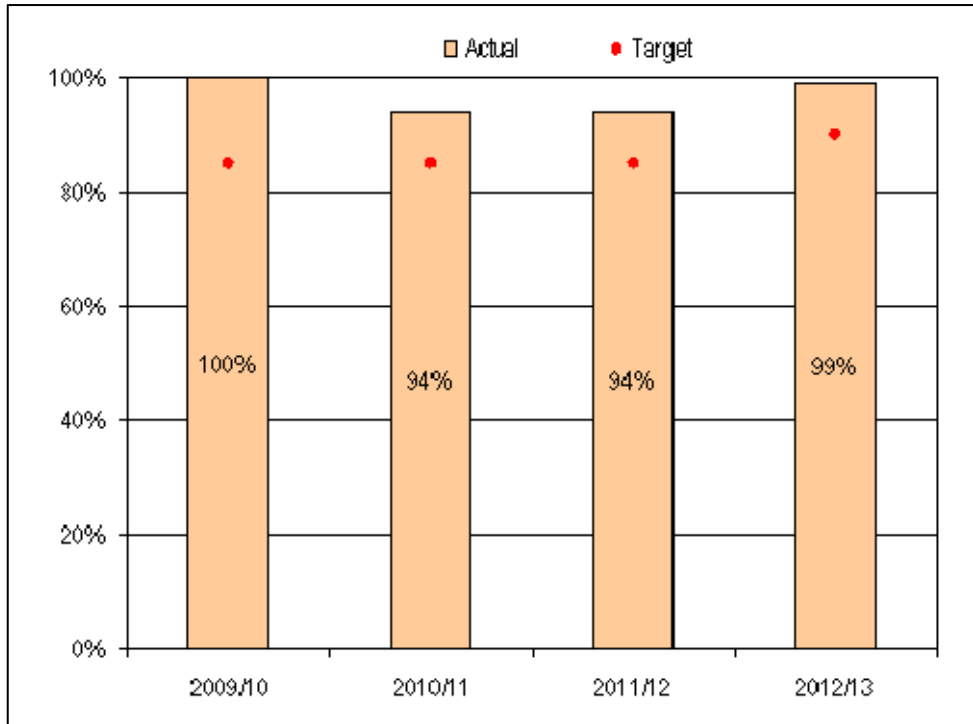
3 Under budget due to savings on the Central Terrace sewer renewal, delays to the Beach Street sewer renewal and savings from the UV treatment upgrade due to a change in approach in addressing the treatment of bypass flows.

How we performed

Our wastewater activities should protect public health and property without compromising the environment. We measure our effectiveness by monitoring freshwater quality, resident satisfaction with the wastewater network and response times for service requests.

To measure the standard of the wastewater service

Customer (%) satisfaction with wastewater services



Source: Capacity Infrastructure Services Ltd

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

Result: 68% of requests were responded to within one hour of notification (target: 95%; 2011/12: 96%; 2010/11: 91%).

Transition issues with the new service provider are being addressed. Despite the non compliance no complaints were received.

Source: Capacity Infrastructure Services Ltd

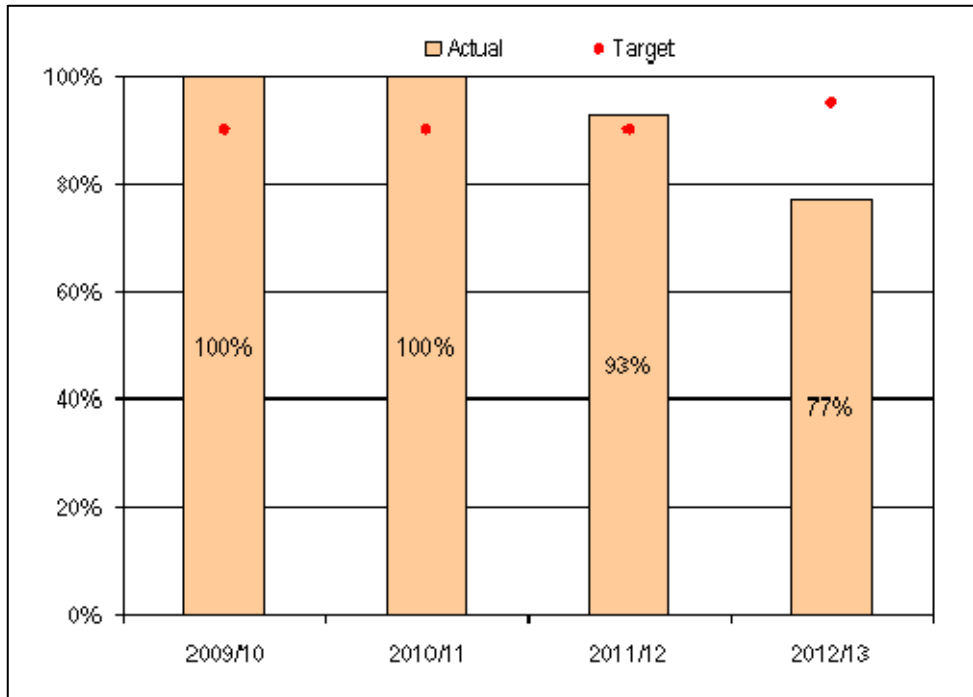
Residents (%) who agree wastewater services provide good value for money

Result: 79% (target: 75%; 2011/12: 70%; 2010/11: 71%).

Source: WCC Residents' Monitoring Survey 2013

To measure the impact of wastewater on the environment

Freshwater sites (%) within acceptable faecal coliform counts



Investigations are underway to determine the reasons for the high faecal counts. There are seven sampling sites that we are investigating. To date the sources have not been identified though at some sites they have been narrowed down to a particular area. One site at South Karori Road was due to a leaking sewer main which has now been fixed. Pollution investigations, including structural examinations and dye tests are continuing.

Source: Capacity Infrastructure Services Ltd

Sewage network – resource consent compliance

Result: 100% compliance⁵ (target: compliance: 2011/12: 100%)

Source: Capacity Infrastructure Services Ltd

⁵ This result is based on the last formal confirmation received from GWRC in October 2012. The final confirmation of compliance from GWRC will not be received until after publication of this report.

2.5 Stormwater

Wai-ua

The stormwater network keeps people and property safe from flooding.

What we do

Stormwater management

Our stormwater activities contribute towards us being:

People-centred: A safe and reliable stormwater network and effective maintenance and operation programmes prevent avoidable disruptions to community living and minimise the risks of injury and the risks of damage to property from storm water.

Eco-city: A safe and reliable stormwater network minimise the impacts – such as erosion - of storm water on the environment.

Dynamic Central City: A safe and reliable stormwater network and effective maintenance and operations programmes allow people to live work and play in the central city safely and without disruption.

Connected: A safe and reliable stormwater network and effective maintenance and operations programmes, reduce the risk of avoidable surface flooding and environmental damage that may affect transport networks.

As a part of the stormwater consent compliance a Stormwater Consultative Committee has met approximately every three months to discuss and provide comment on stormwater issues. The committee is made up of parties who expressed interest during the initial consenting process.

Key projects

During the year:

- Two bridges over the Karori Stream were replaced. Work began to renew the stormwater drains in Tasman Street serving the Mount Cook Catchment and the Massey University campus.

- A major rainfall event occurred on 6 May 2013 resulting in widespread surface flooding and flooding of 32 residential and commercial buildings. We implemented the Capacity Emergency Management Plan establishing an emergency control centre at our offices in conjunction with the maintenance contractor – City Care.
- The Tacy Street Stormwater pump station performed well in the heavy rain events of May 2013. This was its first real test since the pump station was completed at the end of 2011. It ensured flooding was averted in its catchment during a severe rain storm.
- We worked with WREMO (Wellington Regional Emergency Management Office) and WCC Emergency Controllers to respond to the 6 May flood event.
- We work with stakeholders likely to be affected by construction activities to minimise the effects of investigation and construction activities. For example, investigations to confirm the suitability of a route for a stormwater pipe upgrade through Massey University. The existing drain passes underneath the university and we worked with the university to identify potential routes for its replacement, conducting site investigations outside of examination periods to minimise the effect on students and staff.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
2.5.1 Stormwater management 1				
Expenditure	17,490	17,411	(79)	16,044
Revenue	(3,655)	(48)	3,607	(2,632)
Net Expenditure	13,835	17,363	3,528	13,412
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
2.5.1 Stormwater management 2				
Expenditure	2,564	2,584	21	4,001
Unspent portion of budget to be carried forward	N/A	1,208		N/A

1 Under budget due to the recognition of unbudgeted vested asset income.

2 Under budget due to delays in the Davis Street culvert strengthening work and delays in the commencement of the Tasman Street and Oban Street stormwater renewal projects.

How we performed

Our stormwater activities should protect public health and property without compromising the environment. We measure our effectiveness by monitoring beach water quality, and by resident satisfaction with the stormwater network and response times for service requests.

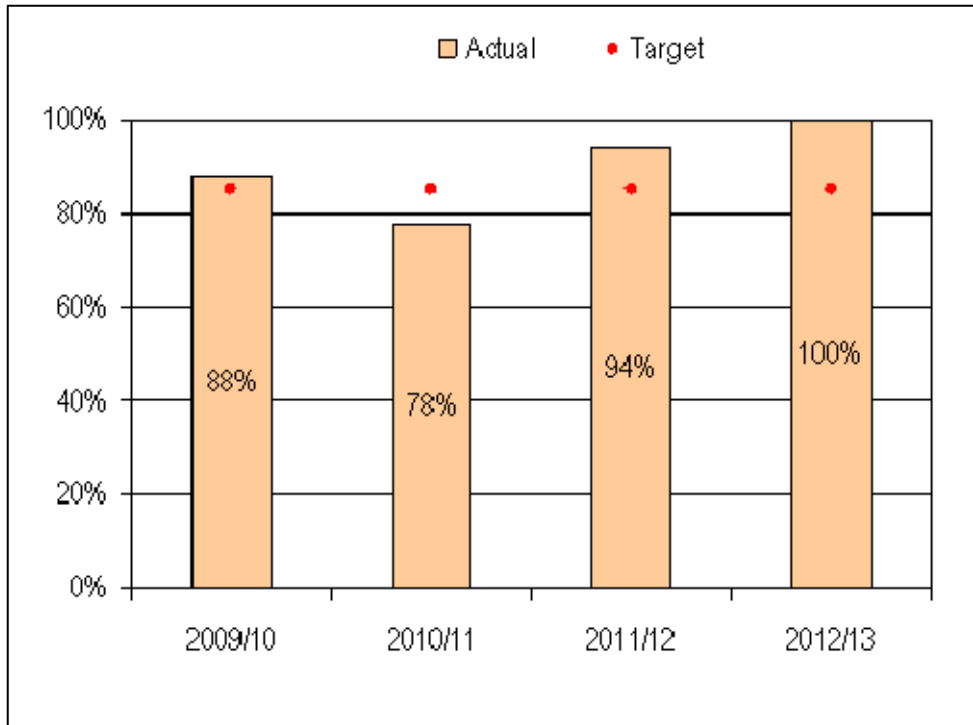
To measure the standard of the stormwater service

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

Result: 69% (target: 75%).

Source: WCC Residents' Monitoring Survey 2013

Customer (%) satisfaction with stormwater network service



Source: Capacity Infrastructure Services Ltd

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

Result: 77% of requests were responded to within one hour of notification (target: 95%). Transition issues with the new service provider are being addressed. Despite the non compliance no complaints were received.

Source: Capacity Infrastructure Services Ltd

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

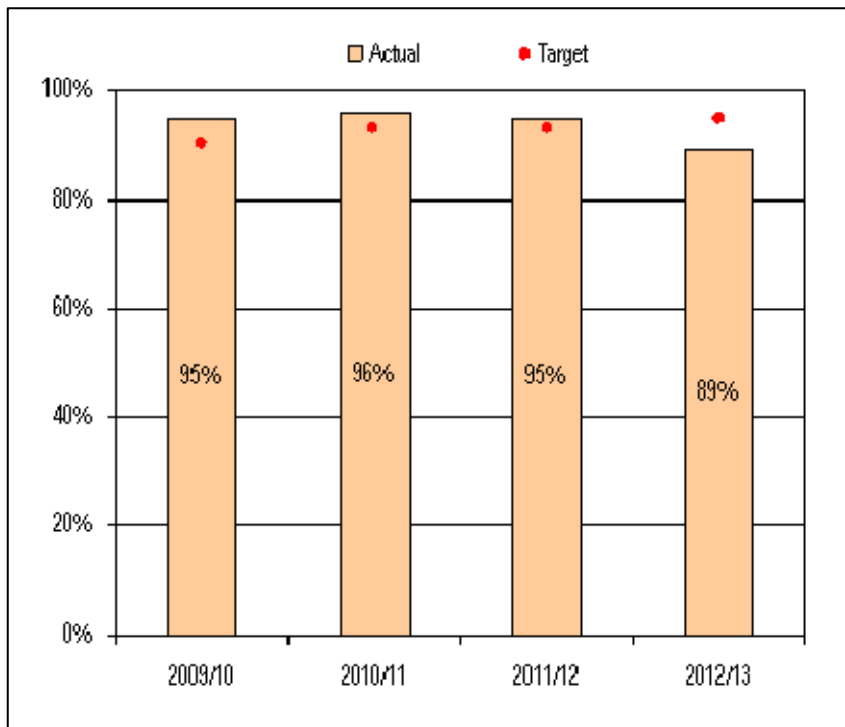
Result: 49 properties flooded (target: no properties flooded).

All of the properties flooded are a result of four significant weather events. Investigations on network capacity are being undertaken to understand cause and potential solutions.

Source: Capacity Infrastructure Services Ltd

To understand the impact of stormwater on the environment

Bathing beaches (%) compliance with Ministry for the Environment guidelines (Green Status)



Source: Capacity Infrastructure Services Ltd

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

Stormwater resource consent compliance has been achieved.⁶

Source: Capacity Infrastructure Services Ltd

⁶ This result is based on the last formal confirmation received from GWRC in October 2012. The final confirmation of compliance from GWRC will not be received until after publication of this report.

2.6 Conservation attractions

Ngā painga kukume Papa Atawha

Nature is one of Wellington's biggest attractions.

What we do

Wellington Zoo

Zealandia

Our conservation attraction activities contribute towards us being:

People-centred: These activities inform and educate residents and visitors about conservation. They tell the story of our past, of our special wildlife, and of exotic flora and fauna.

Eco-city: These facilities play important conservation roles, protecting native and exotic flora and fauna.

Wellington Zoo became the world's first carboNZero certified zoo, thanks to a unique and successful partnership with Beca and the Department of Internal Affairs.

Wellington Zoo had a five year commitment to reducing its carbon footprint, Beca provided technical expertise in attaining carboNZero certification, and it was made possible by Department of Internal Affairs funding. In addition to being the major donor for the Asia Precinct, ASB Bank funded the cost of the certification itself and the required carbon offsets.

Key projects

During the year:

Zoo

- The Zoo Trust celebrated its tenth anniversary.
- The Asia Precinct encompassing a new Sun Bear exhibit and revamped Sumatran Tiger exhibit was officially opened in September 2012 by Mayor Celia Wade-Brown.

- The Green Zoo, Green You sustainability exhibit was also opened by the Mayor in September 2012. This space allows the Zoo to share its sustainability journey with its visitors.
- Hero HQ, the Zoo's reptile and invertebrate exhibit opened in April 2013.
- The Zoo was the proud recipient of the Vibrant Gold award at the Gold Awards in June 2013. In addition, the Kamala's Pavilion won a 2012 Wellington Architecture Award for Public Architecture and the NZ Architecture Award for Small Projects in May 2013, and the Asia Precinct was a finalist in the NZ Institute of Builders Awards in June 2013.
- In addition to the support of Wellington City Council and ASB Bank, during the year the Zoo received a number of donations and bequests, including \$300,000 from Pub Charity for the next major capital project, Meet the Locals, and a bequest for \$100,000 from a staff member, which was used to purchase an x-ray digital imager for The Nest Te Kōhanga. This will greatly improve animal care outcomes.
- Wellington Zoo's first successful breeding of Grand Skinks also took place, with three Grand Skinks born - a first for zoo holders in New Zealand. Wellington Zoo holds part of the insurance population of this critically endangered animal for Department of Conservation.

In conjunction with Massey University, Wellington Zoo runs the Masterate Programme in Zoo Animal and Wildlife Health. The Zoo hosts four veterinary residents each year as they complete placements on the programme. This is the only programme of its type in the world and builds veterinary capability for New Zealand. The Holdsworth Family Trust has agreed to support the Zoo's financial share of the Veterinary Residency Programme at The Nest Te Kōhanga.

Zealandia

- In December 2012 Council approved operational funding and a new partnership model with the Karori Sanctuary Trust.
- Zealandia have secured a Regional Amenities Fund grant for a joint project with Wellington Zoo to improve interpretation and the visitor experience at environmental attractions across the region.
- Zealandia, Wellington City Council, Greater Wellington, Department of Conservation, Wellington Zoo, Conservation Volunteers, Wellington Natural Heritage Trust, WWF and SPCA are working together on developing a project focusing on a halo area around Zealandia. This is to provide a safe habitat for the native birds flying in and out of the sanctuary. This project is also being consulted on as part of Our Capital Spaces: a draft open spaces and recreation framework for Wellington.
- 24 kaka fledged 83 kaka chicks, the highest number of pairs and chicks using nest boxes in a season to date.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
2.6.1 Conservation visitor attractions				
Expenditure	5,354	5,378	24	4,885
Revenue	0	0	0	0
Net Expenditure	5,354	5,378	24	4,885
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
2.6.1 Conservation visitor attractions 1				
Expenditure	2,144	2,063	(81)	2,105
Unspent portion of budget to be carried forward	N/A	1,177		N/A

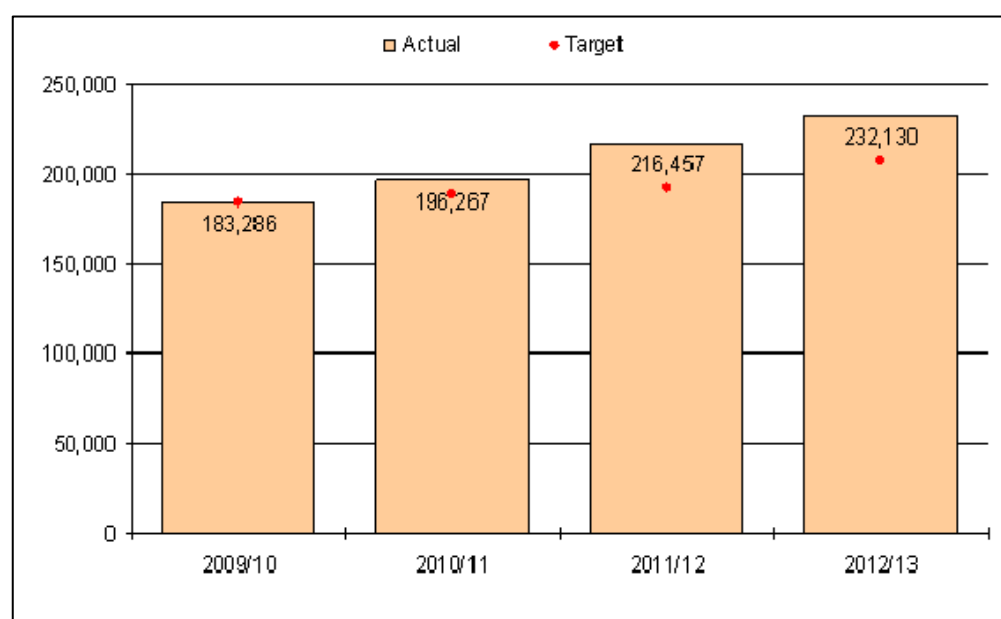
1 Under budget due to the rephasing of the 'Meet the Locals' upgrade project at Wellington Zoo.

How we performed

We support the Zoo and Zealandia for their conservation roles and for their status as nature-based visitor attractions. We assess their success on the basis of visitor numbers, and at Zealandia, the education programme attendees.

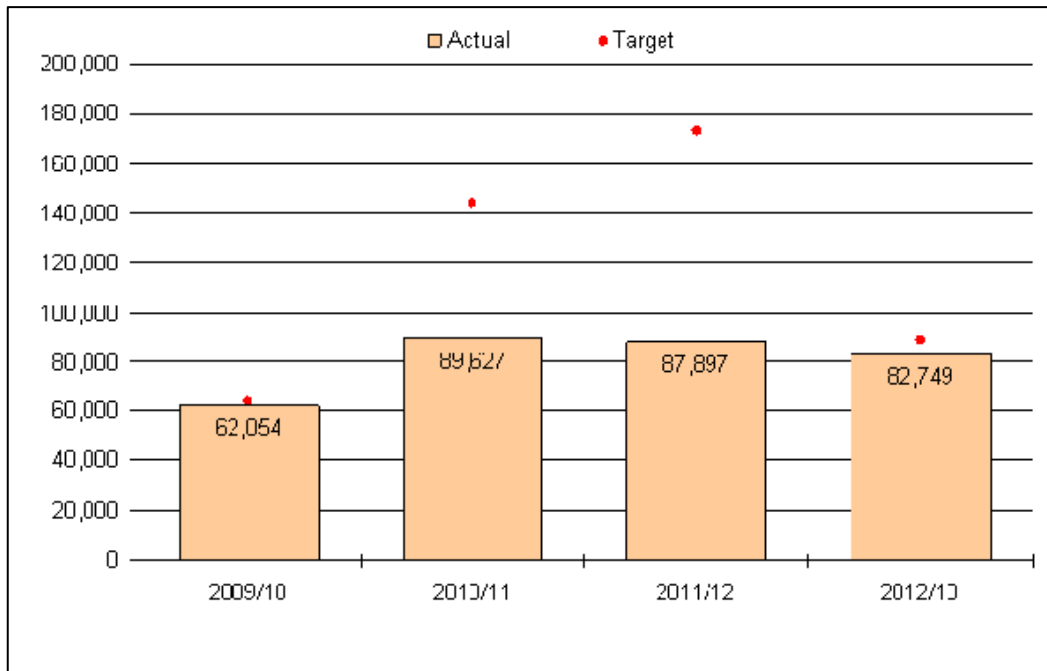
To measure the success of our investments in promoting the city

Zoo visitors



Source: Wellington Zoo Trust

Zealandia visitors



Strategies around the visitor experience, pricing and membership benefits have been formulated to address declining visitation numbers and these strategies are expected to be launched in the spring of 2013.

Source: Zealandia

Zealandia – education programme attendees

Result: 7,645 (target: 5,281; 2011/12: 6,556; 2010/11: 7,068).

A new school holiday programme was introduced and ran successfully during the year. Also work began on a pilot programme with Kelburn School getting involved in the halo project, which aims to involve the community in conservation through pest management and monitoring.

Note: This result is only the number of visits by schools. Next year we will report on the total educational visits (which includes pre-schoolers and university students, and the target will be updated to reflect this).

Source: Zealandia

Economic Development - Whanaketanga ōhanga

3.1 City promotions and business support

Ngā whakatairanga tāone me ngā āwhina pakihi

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

What we do

Tourism promotions (Positively Wellington Tourism)

Events attraction and support

Convention venues (Positively Wellington venues)

Retail support (free weekend parking)

Regional and external relations

Grants and creative workforce

Destination Wellington

Our city promotions and business support activities contribute towards us being:

People-centred: Our activities make Wellington a vibrant and entertaining place to live. They connect people with places and ideas, make Wellington an attractive place to live and do business, and attracts tens of thousands of visitors to the city every year.

Connected: Major events, and our performance spaces and conference venues connect us to artists and events of national and international significance, and Wellington's story is connected to the world by Positively Wellington Tourism's marketing and promotion. Event-based websites and social media platforms are connecting people to what is on and how they can be there.

Dynamic Central City: Our events, festivals, spaces and venues anchor Wellington's appeal as a place of creativity, exploration, innovation and excitement. Iconic events such as the World of WearableArt® awards show (WOW), the International Festival of the Arts and the International Rugby Sevens are world class and an integral part of our Dynamic Central City.

We worked closely with the Wellington Waterfront Limited to deliver a number of successful events on the waterfront, which included New Year celebrations, the Hertz Sevens Rugby Tournament, Homegrown, the Pinot Noir Festival, AMI Round the Bays, Dragon boating, the Asian Night Market, Fringe Festival events, and Chinese New Year.

Key projects

During the year:

Positively Wellington Tourism (PWT)

- The Hobbit: An Unexpected Journey premiere was a key focus area during the first half of the year which included hosting the worldwide premiere. Around 60 of the 100-strong media contingent travelled from over 20 countries in addition to Australian and domestic journalists.
- The fourth annual Visa Wellington On a Plate was enjoyed by 20,500 festival-goers who participated in 106 Festival Events and dined at 108 DINE restaurants over the 17 days of the festival. New spend by visitors outside of the Wellington region generated \$1.41 million dollars in direct spending.
- PWT brought the Spoil Yourself in Wellington campaign to life in our biggest visitor market by 'Spoiling Auckland'. The experiential and digital campaign - run in partnership with Air New Zealand, Mojo and Whittaker's - saw a team descend on Auckland to surprise locals with a range of gifts from Wellington. The campaign resulted in record Auckland on-line traffic with over 28,000 visits to the campaign landing page on WellingtonNZ.com.
- PWT launched a Winter Events campaign to promote winter weekend travel to Wellington and in Australia PWT's campaign saw a \$1million joint venture campaign with Tourism New Zealand take place focusing on creating awareness of the Wellington and its neighbouring regions - Wellington, Wairarapa, Hawke's Bay and Marlborough – as the food and wine capital of New Zealand.

Events attraction

- WOW was once again a success with all performances selling out and more than 30,000 people from out town attending the event.
- The red-carpet world premiere of The Hobbit: An Unexpected Journey was on 28 November. The Council ran a number of events including the five-day Hobbit-inspired Artisan Market in Waitangi Park with 19 stallholders plus food and drink outlets. There were outdoor public screenings of the Lord of the Rings trilogy, also at Waitangi Park.
- We hosted the Hertz Sevens which was again a great success with over 21,000 visitors in Wellington specifically for the event.
- Wellington Fashion Week ran in early April. This was the second time the event has been held and this year almost 40 designers, including up and coming local brands took part.

- The historic Australian Football League match between St Kilda and Sydney was played at the Westpac Stadium on ANZAC Day with over 22,000 supporters attending the match.
- The Council, in association with the Wellington Returned Services Association (RSA) ran a series of ANZAC Day events on Thursday 25 April. The Dawn Parade, Dawn Service and Wreath Laying ceremonies have become popular events and draw attendance from a large cross-section of the Wellington community. Over 7,000 members of the public attended the dawn parade and service, joined by the New Zealand Prime Minister and two Australian Federal Government Ministers.
- Wellington hosted New Zealand's Hottest Little Jazz Festival from 6-8 June. The festival was headlined by eight-time Grammy winner Chucho Valdés and two-time Grammy winner Cassandra Wilson. Over 9,000 people enjoyed over 50 shows held in a number of the city's music venues.
- The LUX Wellington Light Festival was held in late June, and despite the stormy weather 14,000 people enjoyed 18 artworks that use light, set up along the waterfront and in back alleys in the CBD.
- We supported the Homegrown music festival which was again a sell out. Over half of the 17,000 event-goers visiting Wellington for the day long festival of New Zealand music on Wellington's waterfront.
- We continued to support other events such as the Oceania World Cup Orienteering Festival, the Hertz Sevens Parade, Nitro Circus, State Capital Classic Ocean Swim, Pinot Noir 2013, Contact National Triathlon, and the New Zealand-England test match at the Basin.

Positively Wellington Venues (PWV)

- PWV delivered over 950 events across all venues. Performance and exhibitions included: Ed Sheeran; Neil Young; Glenn Miller; Madame Butterfly; Phantom of the Opera; Cinderella (St James Theatre); Hairspray (Opera House); Agatha's Christie's The Mousetrap; and Royal NZ Ballet's production of Giselle.
- PWV received international ISO Quality and Environmental Management certification across all its venues. They are currently the only NZ venues management organisation to have received this certification across all their venues.

Regional and external relations

- The city received 34 delegations over the year from Japan, China, Singapore, Korea, South East Asia, Thailand and Australia. We had eight outbound delegations to Singapore, UK, China, USA and Japan.
- The Memorandum of Cooperation for Strategic Economic Partnership between the Zhejiang Province and the Wellington Region was signed.
- Zhejiang Radio and Television Group filmed a documentary entitled "Beautiful Wellington".
- We celebrated 25 years of our sister-city relationship with the Chinese city of Xiamen with a visit to Wellington by Xiamen Deputy Mayor Kang Tao and city officials, and the opening in Wellington of "Charming Xiamen" - a photography exhibition.
- We helped local Wellington companies do business with our sister/friendly cities overseas. The Formary connected with a local partner in Tianjin who has created an upholstery fabric that blends Chinese rice production waste product with NZ wool. The fabric will be sold in the USA. The Village Goldsmith from Wellington signed a deal to supply designs to Chinese bridal jewellery chain Hiersun.
- Council won the 'Best Cultural, Sport or Recreation project' at the 2013 Sister Cities Awards for the Japan Festival.

- We organised and hosted the Kia Kaha! Japan Festival of Wellington 2012. More than 30 delegates from Sakai visited Wellington to take part in the festival. Approximately 30,000 visitors attended festival events.
- We held the India Workshop: Wellington/Delhi Strategy to discuss a possible city-to-city relationship with Delhi. The workshop attendees included New Zealand stakeholders, the High Commission of India, university and local India organisations.
- We supported the Wellington Chinese New Year Festival by organising the Shenzhen Song and Dance Troupe to visit Wellington and perform. The performance added a new element to this dynamic and exciting festival.

Destination Wellington

The Council established a programme of work to attract, retain and grow investment, to create jobs and to support sustainable economic growth. A collaborative team was formed from involving the Council, Positively Wellington Tourism and Grow Wellington to run the programme. The roles of the three parties are as follows:

1. PWT has a responsibility to raise Wellington's profile in target markets and support attraction efforts through marketing activities.
2. Grow Wellington is to identify and target business, talent, students and investment, and convert opportunities into business deals.
3. Council is to coordinate the overall programme and provide market analysis and intelligence.

Some key year one achievements include:

1. Extensive research undertaken by PWT which documents stakeholders' perceptions of Wellington.
2. A targeted Wellington education strategy to attract international students and develop the education offering in the city.
3. A competitor city audit of 25 competitor cities, their economic development agencies, sectors of focus, incentive offerings and promotion activities, and the cities' rankings on international indices.

Although the emphasis of the programme in year one has been on background research, strategy development and campaign development, the programme had an early success with the relocation of a contact centre from Australia to the CBD. The contact centre is already employing 85 staff, and has forecast to increase to 200 jobs next year, bringing in an additional \$10 million in economic value to Wellington.

Business improvement districts

- In March, the Council approved a business improvement district (BID) policy which provides a framework for establishing and implementing BIDs in the city. We started working with the first BID in Miramar and this work is on going.
- As part of a review of our grant funds Council agreed that the Economic Grant Pool from 1 July 2013 will be focussed for a two year period on the development of Business Improvement Districts in the city.
- We developed an action plan for the Open for Business programme of the Economic Development Strategy. As part of this 'can-do' programme we will engage with key businesses across the city to further our understanding about the challenges and opportunities they face.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
3.1.1 Tourism Promotion				
Expenditure	5,740	5,740	0	5,740
Revenue	0	0	0	0
Net Expenditure	5,740	5,740	0	5,740
3.1.2 Convention venues 1				
Expenditure	17,952	4,515	(13,437)	3,439
Revenue	(14,659)	0	14,659	(410)
Net Expenditure	3,293	4,515	1,222	3,029
3.1.3 Retail support (free weekend parking)				
Expenditure	1,281	1,286	5	16,170
Revenue	0	0	0	(13,415)
Net Expenditure	1,281	1,286	5	2,755
3.1.4 Grants and creative workforce 2				
Expenditure	1,512	1,718	206	1,826
Revenue	(40)	0	40	(50)
Net Expenditure	1,472	1,718	246	1,776
3.1.5 Events attraction and support 3				
Expenditure	4,923	4,631	(292)	4,922
Revenue	(96)	0	96	(344)
Net Expenditure	4,827	4,631	(196)	4,578
3.1.6 Regional and external relations				
Expenditure	643	514	(129)	590
Revenue	(40)	0	40	(9)
Net Expenditure	603	514	(89)	581
3.1.7 Destination Wellington				
Expenditure	982	1,000	18	0
Revenue	0	0	0	0
Net Expenditure	982	1,000	18	0
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
3.1.2 Convention venues 4				
Expenditure	3,313	3,699	386	212
Unspent portion of budget to be carried forward	N/A	3,531		N/A

1 Under budget due to receipt of unbudgeted sub-tenant revenue upon the transition of St James Trust assets to Council, as well as lower depreciation than budgeted as a result of the 2011/12 asset revaluation process. Revenue and expenditure variances as a result of the consolidation of Wellington Venues Ltd.

2 Under budget due to lower expenditure on promotional advertising and unbudgeted income for CBD WiFi.

3 The use of internal labour for the Hobbit premiere has resulting in a higher organisational overhead allocation than budgeted for this activity.

4 Under budget due to delays in the start of temporary venue fit out due to the need to complete initial earthquake and pile strengthening work, and delays in completing deferred maintenance at the Opera House.

How we performed

We measure our contribution to the development of Wellington as an events hub and tourist destination by monitoring the number of visitors to the city, attendees at key facilities and by the strong return on events investment. By supporting strategic projects and by representing the city's interests to central government and overseas, we aim to improve Wellington's economic competitiveness. To assess success, we monitor the projects we are involved in and support.

To measure the success of our investments in promoting the city

International visitors – guest nights

International visitor room nights decreased to 667,760 in the year to April 2013, a decrease of 13.6%. (target: maintain international visitor nights).

There is a continuing decline in visitors from the UK and US markets. This decline is offset somewhat by growth in visitors from China, but these visitors tend to stay for shorter periods in New Zealand.

Source: Positively Wellington Tourism

Average length of stay – international and domestic visitors

Result: 2.04 nights (target: 2 nights; 2011/12: 2.05; 2010/11: 1.96)

Source: Statistics New Zealand

New Zealand market visitors

Domestic visitor room nights increased by 4.4% to 1,373,613 for the year to April 2013, compared to the same period in 2012 (target: increase by 2% on previous year).

The Some Like it Hot summer campaign (led with a 'Kids Stay Free' hotel offer), Game Masters on at Te Papa and other events over the summer led to December and January being record months in terms of commercial guest nights, with an 8.7% growth in the domestic market across the two-month period.

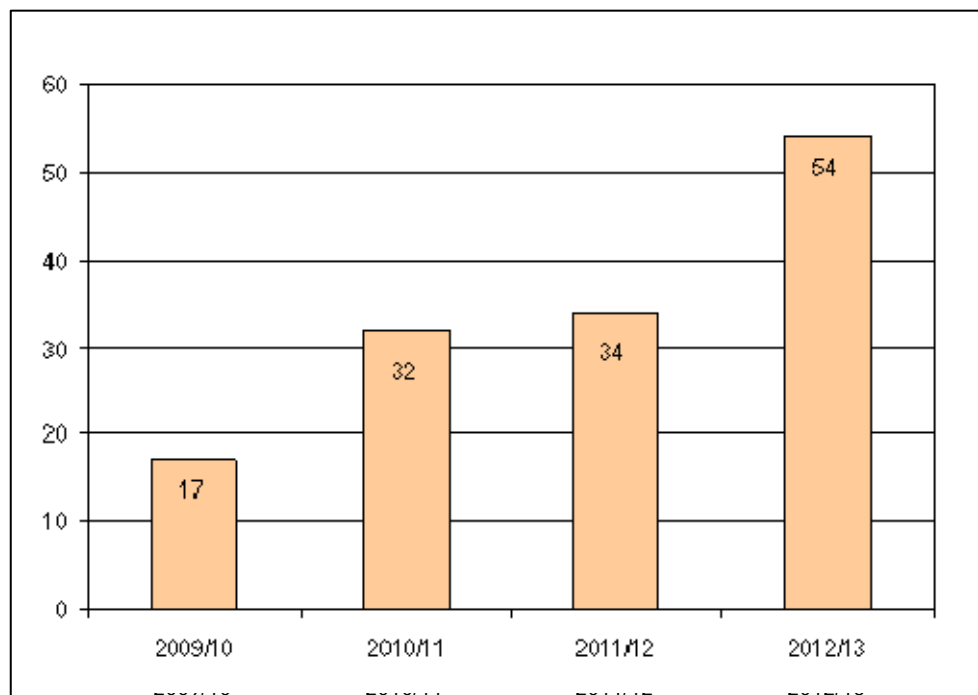
Source: Positively Wellington Tourism

Positively Wellington Tourism – partnership funding

The Council's funding amounted to 49% of total income (target: maintain the Councils' funding at less than 50% of total income; 2011/12: 48%; 2010/11: 50%).

Source: Positively Wellington Tourism

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



There is no target for this measure.

Source: WCC International Relations

To understand the reach of events and promotion activities

Wellington venues occupancy

Result: 953 hire days (target 1032).

Source: Positively Wellington Venues Ltd

Estimated attendance at WCC supported events

Result: 549,128 (target: 500,000).

Source: WCC City Events

To measure the success of our investments in economic development

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

Result: 90% (target 95%).

Source: Residents' Monitoring Survey

Events Development Fund –ratio of spend to economic impact

Major ticketed events attracted significant visitor numbers and economic benefit. We met our overall goal of economic benefits outweighing costs by a ratio of at least 20:1. We achieved 24:1.

Source: WCC City Events

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

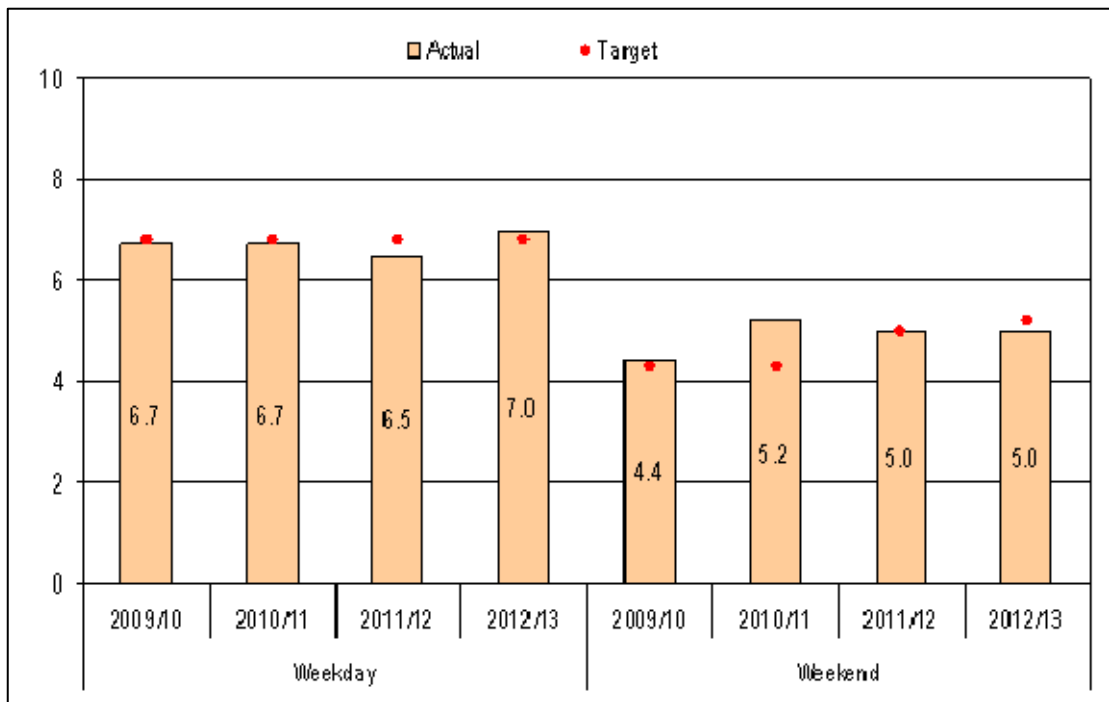
Result: 100%

In 2013/14 criteria for this fund will be aligned to support community economic development projects wanting to establish local Business Improvement Districts.

Source: WCC Community Networks

To measure the standard of the provision of parking

On-street car park turn-over rates – weekdays and weekends



Source: WCC Infrastructure

Cultural Wellbeing – Oranga ahurea

4.1 Arts and cultural activities

Ngā mahi toi me ngā ngohe ahure

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

What we do

Galleries and museums

Visitor attractions (Te Papa and Carter Observatory)

Arts and cultural festivals

Cultural grants

Access and support for community arts

Arts partnerships

Regional Amenities

Our arts and culture activities contribute towards us being:

People-centred: They shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and history. By enabling Wellington's creative communities to thrive, they promote inclusive, tolerant and strong communities.

Connected: They provide ideas and places where people can connect, share what is common and explore what is different and new. They connect the present with the past and both with the future. Through events and collaborations they connect us with people, places and ideas here and abroad.

Dynamic Central City: They enhance Wellington's vibrancy as a diverse and eventful place where people want to live work and play.

Key projects

During the year:

- The Museum of Wellington City & Sea was chosen by The Times of London in its Sunday edition as one of 50 top museums in the world; the only New Zealand museum to be placed on the list. This accolade has been followed-up with popular recognition through the 2013 Trip Advisor Traveller's Choice Award naming our museum as one of the top 25 museums in the South Pacific and one of the top 10 museums in New Zealand.
- Carter Observatory held public activities for the solar eclipse on 14 November, the landing of Curiosity Rover on Mars and Matariki 2012, and the launch of a new planetarium show Wildest Weather in the Solar System.
- City Gallery programme produced some memorable experiences for visitors such as Len Lye: Kaleidoscope and The Sophist's Mirror: Ben Cauchi.

Strengths of partnerships

Many of the programmes and exhibitions that Wellington Museums Trust institutions deliver are through partnerships or collaborations with other organisations that optimise our strengths and our city and harbour locations. Prominent examples this year include the Capital E National Theatre for Children and the New Zealand Symphony Orchestra partnership that transformed myth into legend in a new collaborative work for young people: Skydancer based on Whiti Ihimaera's novel; and Museum of Wellington City & Sea partnered with the Film Archive to produce Welcome to Wellington: 100 years of Wellington Moments which is a new Tall Screen film.

- Summer City ran early in the year, with over 80 events held. Highlights included ASB Gardens Magic, Films by Starlight, Pasifika Festival, Waitangi Day celebrations, Island Bay Festival, Bowl-a-rama Skate Festival, Chinese New Year parade, NZCT Dragon Boat Festival, the Newtown Festival, and the South East Asian Night Market.
- The Summer Street Life project continued from its winter pilot to weekends and early evenings. This was an initiative to have bands, performers and musicians perform in public spaces around the city in December and January, adding vibrancy to the CBD both in the lead up to Christmas and through into the New Year.

This year's Matariki celebrations were assisted with collaboration from 20 organisations. A particular focus was on waka, navigation and voyaging. The waka Te Matau a Maui (Double Hull Waka) arrived from Napier, sailed by Ngāti Kahungunu, and was welcomed into Wellington Harbour by mana whenua Taranaki Whānui and Wellington City Council to mark the beginning of Matariki.

- Africa Day was celebrated on a larger scale than previously held to mark the 50th anniversary of African Unity. The rich African culture was demonstrated through performance, fashion, crafts and food. A fashion show was held at Te Papa in the lead up to the event. Largely organised by the newly formed African Community Council of Wellington and supported by City Events, WCC as well as Police and Department of Internal Affairs.

Cultural grants

- We provided grants to support community-based arts and culture organisations and initiatives – such as Arts Access Aotearoa, Ocean Wave Community Dance Project, Vincent’s Art Workshop, Creative Capital Arts Trust, Wellington professional theatres, and many more. Some were one-off grants for projects that meet our criteria, others longer-term grants to the cultural sector that contribute to our strategic objectives.
- We supported one resident artist (from Asia) and one exchange artist (a Wellington-based artist going to Asia) through the Wellington Asia Residency Exchange (WARE). This programme is provided in partnership with the Asia NZ Foundation.
- The Wellington Sculpture Trust, with assistance from Council launched two new permanent sculptures:
 1. *Ngā Kina* by Michel Tuffery – a sculpture located at the entrance of Kumutoto Stream on the Wellington Waterfront.
 2. *Woman of Words*, a Katherine Mansfield memorial sculpture by Virginia King located on the edge of Midland Park and Lambton Quay.
- We continued to work with the Wellington International Airport, Studio Pacific Architecture, the Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira Incorporated to deliver *Naïve Melody* a new public artwork by Nathan Pohio located in the International Arrivals Area at Wellington Airport.
- We supported temporary public art projects through the Public Art Fund including: *Enrapture* by Tape Art New Zealand, an evolving 5-day tape art mural series in Civic Square; Public Sculpture Tables by Mary Whalley, held at Aro Valley Park, Jack Illot Green and Glover Park; and *Brides - a dress-up conversation* by Jo Randerson / Barbarian Productions and Anya Tate-Manning.
- We facilitated relationships that allow art and business collaborations, for example supporting the Urban Dream Brokerage – an agency that brings property managers and the creative industry together through the creative use of vacant spaces in Wellington.

Community arts and partnerships

- In partnership with local communities, we facilitated the development of three mural projects – Bay Road, Kilbirnie; Granville Flats, Berhampore; and Tawa Youth Mural beside the skatepark.
- We developed a Mural Toolkit, a how-to-guide to making a mural. This is primarily an online resource for artists, businesses, and organisations wanting to develop a mural. The toolkit includes information about funding, health and safety and evaluating projects.
- Artsplash, Wellington’s Young People’s Arts Festival, had a total of 7,528 children from 103 primary and intermediate schools participate and present their art to an audience of 21,000.
- An external evaluation of the ‘Ocean Waves’ Community Arts Project detailed the successful delivery of this community dance project in the ASB Sports Centre in Kilbirnie.

We initiated Paint Up, a pilot mural project in partnership with Berhampore and Newtown Schools, Eastern Southern Youth Trust and two experienced artists. Paint Up aims to up-skill and empower young people through the design and painting of a mural in their neighbourhoods and to raise awareness of the social and economic impacts of tagging.

- Toi Pōneke continued to be well used with the Gallery presenting 12 exhibitions across a wide range of contemporary artists and curators. Toi Pōneke also entered into a partnership with Whitireia New Zealand to provide an Artist-in-Residency programme at the art centre in 2013.

Regional amenities

- We led the cross-council Wellington Regional Amenities Fund Working Party. Following decisions by Wellington City, Hutt and Upper Hutt City Councils, and Kapiti Coast and Masterton District Councils, to include funding in their 2012-22 Long-term Plans and Annual Plans, the working party drafted a resolution and terms of reference for a joint committee of the participating councils to govern the fund and approve applications.
- In the first year, the joint committee has finalised the priorities and criteria and allocated funding to four projects which strongly delivered to the regional priorities. The four projects are:
 1. The Winter of Art programme at Te Papa with a range of international and local art exhibitions and providing tours to other galleries in the region.
 2. The opening night event of the 2014 New Zealand Festival of the Arts.
 3. A visitor experience development project for environmental attractions in the region.
 4. The 2014 'On ANZAC Eve' concert which is part of the WW100 commemoration programme.

The five contributing councils have confirmed their commitment to the second year of the fund through their 2013/14 Annual Plans.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
4.1.1 City Galleries and Museums				
Expenditure	8,339	8,401	62	8,243
Revenue	0	0	0	0
Net Expenditure	8,339	8,401	62	8,243
4.1.2 Visitor attractions (Te Papa/Carter Observatory)				
Expenditure	3,023	3,053	30	3,032
Revenue	0	0	0	0
Net Expenditure	3,023	3,053	30	3,032
4.1.3 Arts and cultural festivals				
Expenditure	2,488	2,509	21	2,288
Revenue	(310)	(398)	(88)	(306)
Net Expenditure	2,178	2,111	(67)	1,982
4.1.4 Cultural grants				
Expenditure	853	898	45	829
Revenue	0	0	0	(1)
Net Expenditure	853	898	45	828
4.1.5 Access and support for community arts				
Expenditure	662	681	19	649

Revenue	(79)	(129)	(50)	(127)
Net Expenditure	583	552	(31)	522
4.1.6 Arts partnerships				
Expenditure	1,930	1,762	(168)	1,751
Revenue	(694)	(520)	174	(491)
Net Expenditure	1,236	1,242	6	1,260
4.1.7 Regional Amenities Fund				
Expenditure	643	594	(49)	0
Revenue	(32)	0	32	0
Net Expenditure	611	594	(17)	0
	Actual	Budget	Variance	Actual
Capital Expenditure (\$000)	2013	2013	2013	2012
4.1.5 Access and support for community arts				
Expenditure	10	40	30	117
Unspent portion of budget to be carried forward	N/A	0		N/A

How we performed

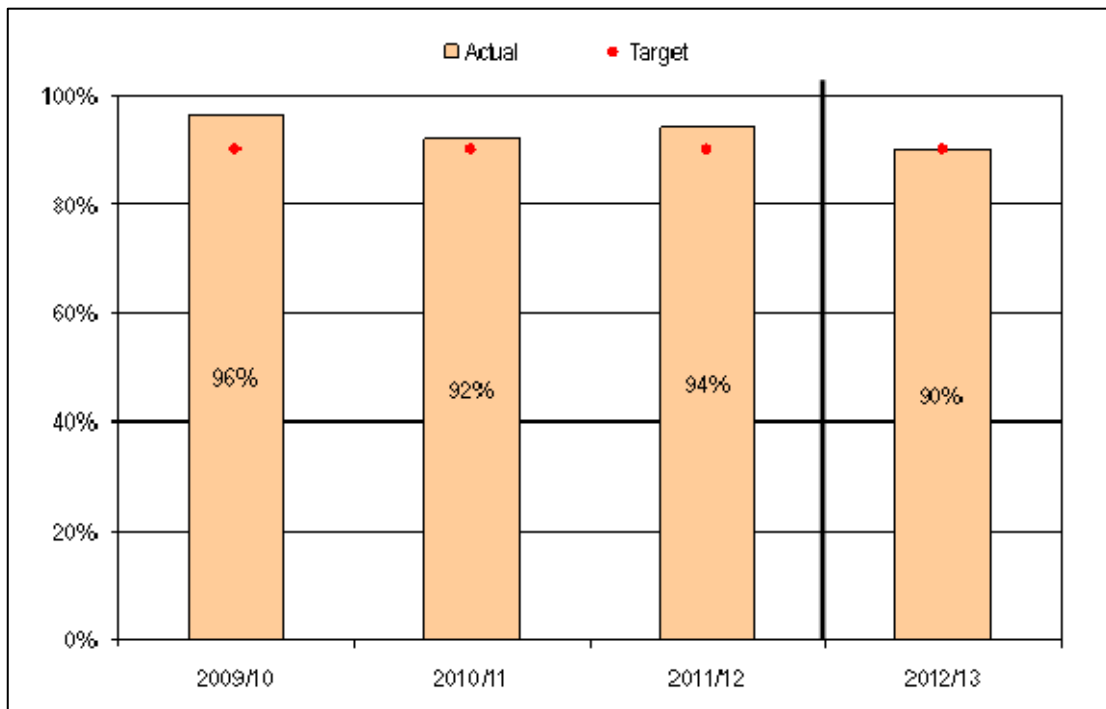
We aim to support a wide range of arts and cultural festivals. To assess our contribution we monitor the number of events and groups supported and measure attendance and satisfaction with events and festivals.

We are committed to working in partnership with, and securing the long-term future of, the arts sector in Wellington. We demonstrate this through our commitment to Toi Pōneke, and measure users' satisfaction.

We support the Wellington Museums Trust to deliver high quality gallery and museum experiences and events. We measure performance through visitor numbers, awareness of and experience at the various galleries and museums, and the average subsidy per customer. For results, see 'Wellington Museums Trust' on page xx in the Council-controlled organisations section of this report.

To measure the effectiveness of our arts and culture support activities

Satisfaction with Wellington City Council supported arts and cultural festivals



Source: WCC Residents' Monitoring Survey 2013

Customer satisfaction (%) with the NZ International Arts Festival

The NZ International Arts Festival is held biannually so there are no results for this year. The target for next year 2013/14 is 80% satisfaction.

Total tickets sold (#) to the NZ International Arts Festival and the proportion sold to the customers outside the region

The NZ International Arts Festival is held biannually so there are no results for this year. The target for next year 2013/14 is 130,000 tickets sold with 30% to customers outside the region.

Economic contribution (\$) the NZ International Arts Festival makes to the city's economy (new spend)

The NZ International Arts Festival is held biannually so there are no results for this year. The target for next year 2013/14 is that the overall economic impacts for the 2014 festival will be at least \$40m of new spend.

User satisfaction (%) with Toi Pōneke facilities and services

Result: 82% of users were satisfied with Toi Pōneke facilities and services (target: 90%; 2011/12: 86%; 2010/11: 90%).

Source: Toi Pōneke Customer Satisfaction Survey 2013

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

73% of applicants were satisfied with the support and advice received from Council (target: 95%).

Source: WCC Community Networks

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

Result: 97% (target: 95%).

Source: WCC Community Networks

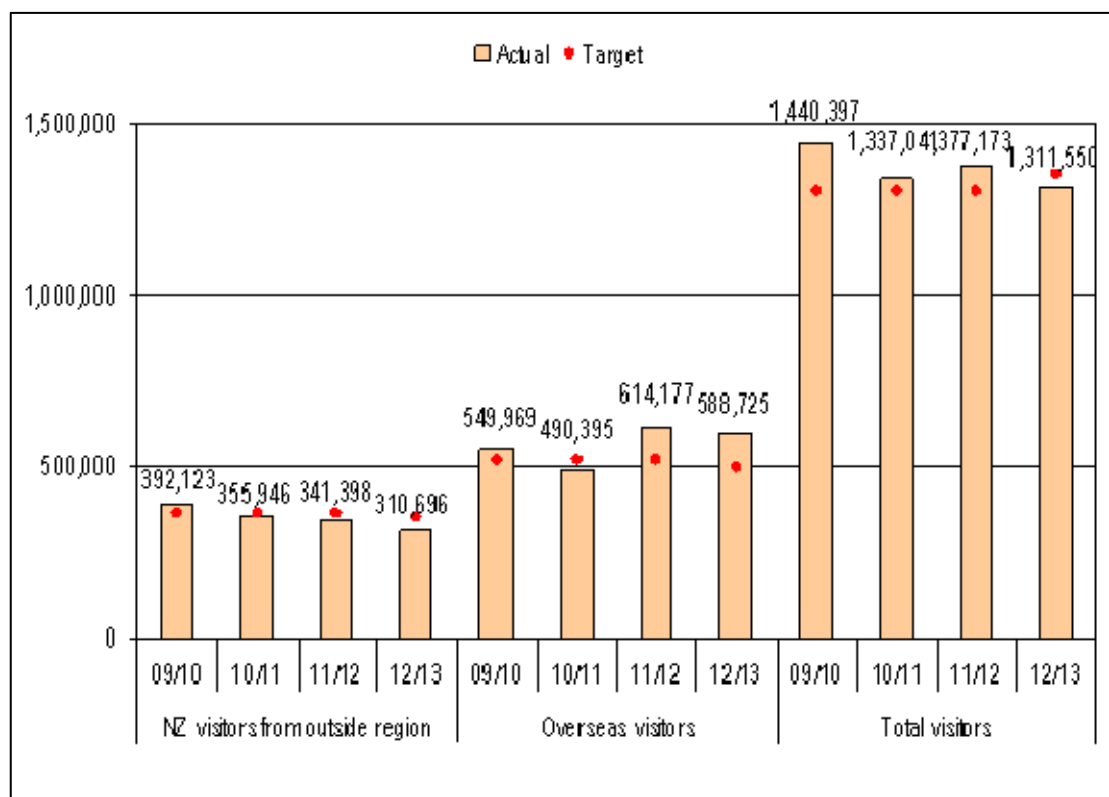
Proportion of outcomes delivered (previous projects – weighted by \$ value)

Result: 100% (target: 90%).

Source: WCC Community Networks

To understand the reach of our arts and culture support activities

Te Papa visitors (by overseas visitors [OV] and NZ visitors from outside the region [NZOR])



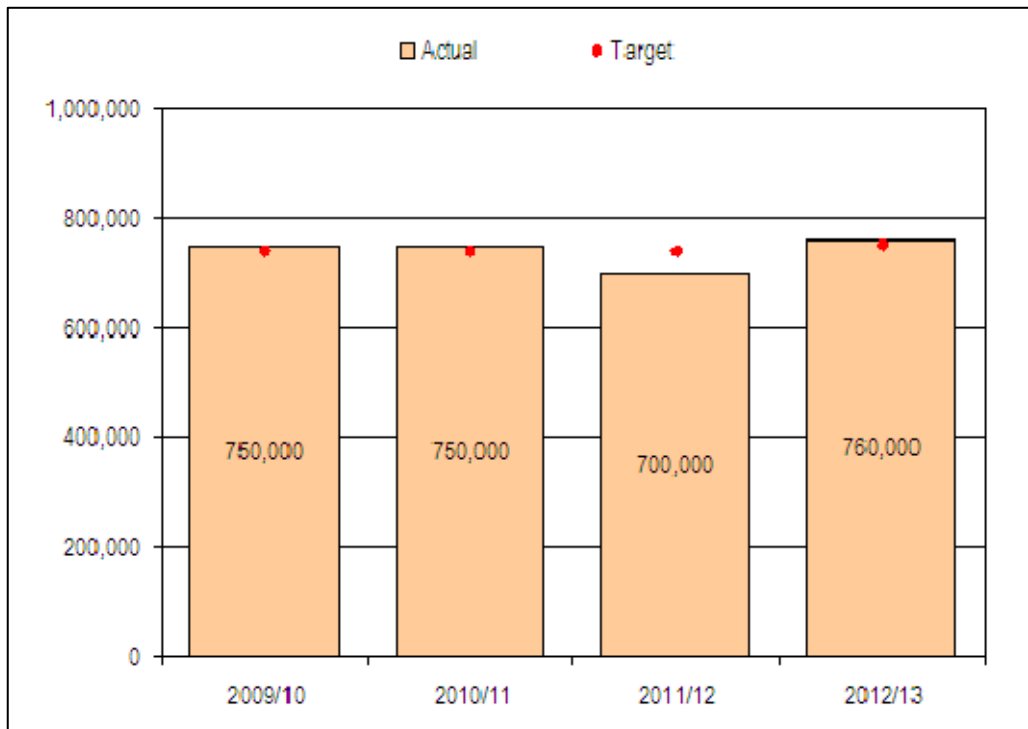
Source: Te Papa

Total visits to museums and galleries (including Carter Observatory)

Result: 644,411 (target: 620,000)

Source: Wellington Museums Trust

Arts and cultural festivals estimated attendance



Source: WCC City Events

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

There was a total of 28,523 performers and 150,346 attendees at supported events. There was no target for this measure, however next year the target will be to increase on this year's results.

Source: WCC City Events

Cultural grants - % first time applicants who are successful

Result: 44% (target: 50%).

Source: WCC Community Networks

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

A total of 39 artists were involved in supported arts projects through the Public Art Fund. There is no target for this measure.

Source: WCC City Arts

Social and Recreation – Pāpori me te hakinakina

5.1 Recreation promotion and support

Ngā rauhanga hāpori

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

What we do

Swimming pools

Sportsfields

Synthetic sportsfields

Recreation centres

Recreation partnerships

Recreation programmes

Playgrounds

Marinas

Golf course

Our recreation and support activities contribute towards us being:

People-centred: Access to recreation opportunities is important for people's health and wellbeing. Our recreation facilities provide a wide range of health and wellbeing benefits to the people who use them.

Connected: Recreation and sport activities also bring people together, strengthening social cohesion, and by offering a wide range of facilities, the city becomes a more appealing place for people to live.

The team at ASB Sports Centre have continued to build partnerships with sports governing bodies, regional sports organisations and local clubs in order to increase the opportunities for local people to participate in a wide range of sports and activities.

Key projects

During the year:

- We opened the new Hydrotherapy Pool at the Wellington Regional Aquatic Centre; Tawa Pool was re-opened following a 12 month closure for earthquake strengthening and construction of a new roof. We also opened a new Teaching Pool at Karori Pool and commenced work on the extension to Keith Spry Pool.
- The Wellington Regional Aquatic Centre hosted: North Island Diving Championships, NZ Age Group Swimming Championships, NZ Junior Swimming Championships, Wellington Long Course Championships, U18 Underwater Hockey Championships, National Surf Lifesaving Championships and NZ Short Course Championships.
- We completed the replacement of the Newtown Park running track and received a class 2 certification from the International Association of Athletics Federation.
- Following a number of public meetings, a resource consent application was lodged for the proposed artificial sportsfield and new multi-sport building at Alex Moore Park in Johnsonville. Construction of the artificial sportsfield is expected to start in October/November 2013 with completion by April 2014. We completed construction of a full size artificial sportsfield at St Patrick's College in which we contributed 50% of the construction cost.
- Funding was secured from Sport New Zealand to develop a sportsfield strategy for the Wellington region. The strategy is due for completion later in 2013 and will help steer the future provision of sportsfields in the region for the next 20 years.
- A number of significant sports events have been delivered at the ASB Sports Centre such as the National Handball Championships; National Futsal Club Championships and Under 15 National Basketball Championships, and the Centre received a Highly Commended award from the New Zealand Recreation Association under its Outstanding Project category, along with a number of architecture awards.
- In conjunction with Sport New Zealand and the Royal Port Nicholson Yacht Club we developed the Wellington Ocean Sport Programme. We also negotiated a new contract with Sport Wellington to deliver the Sports Talent Development Programme and received partnership funding from the New Zealand Community Trust of \$400,000 for targeted events and sport and recreation programmes.
- We renewed the playground equipment at John Walker Park, Iazard Park and Paddington Grove play areas.

We received Kiwisport funding to deliver Ki-o-rahi programmes to 2000 school children in the city. In addition to this we have received funding for

three years from Sport NZ to further develop the sport of Ki-o-rahi within the city.

- We have continued to deliver our Push Play trailer service to families, groups and organisations to enable them to take part in active recreation within their own community. We also delivered 8 ‘Push Play in the Park’ events at parks around the city.
- In conjunction with Eastern Suburbs Youth Trust, Sport Wellington, Zumba Fitness and New Zealand Community Trust we delivered seven recreation activity events under the title *Summer in Strathmore* and seven under the banner *Summer in Berhampore* over the course of the summer.
- We completed the upgrade to the entrances at Clyde Quay Boat Harbour by installing new handrails and steel capping to the stairs, and completed our maintenance programme at Evans Bay Marina.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
5.1.1 Swimming Pools 1				
Expenditure	18,866	18,562	(304)	18,095
Revenue	(6,827)	(7,704)	(877)	(6,481)
Net Expenditure	12,039	10,858	(1,181)	11,614
5.1.2 Sportsfields				
Expenditure	3,447	3,429	(18)	3,581
Revenue	(288)	(342)	(54)	(320)
Net Expenditure	3,159	3,087	(72)	3,261
5.1.3 Sportsfields (Synthetic)				
Expenditure	1,028	1,094	66	1,171
Revenue	(389)	(393)	(4)	(338)
Net Expenditure	639	701	62	833
5.1.4 Recreation Centres 2				
Expenditure	9,436	9,475	39	8,196
Revenue	(2,512)	(2,654)	(142)	(1,723)
Net Expenditure	6,924	6,821	(103)	6,473
5.1.5 Recreation partnerships				
Expenditure	766	850	84	645
Revenue	0	0	0	0
Net Expenditure	766	850	84	645
5.1.6 Playgrounds				
Expenditure	773	805	32	742
Revenue	0	0	0	0
Net Expenditure	773	805	32	742
5.1.7 Marinas				
Expenditure	534	572	38	485
Revenue	(578)	(556)	22	(585)
Net Expenditure	(44)	16	60	(100)
5.1.8 Golf Course				
Expenditure	178	156	(22)	0

Revenue	(51)	(61)	(10)	0
Net Expenditure	127	95	(32)	0
5.1.9 Recreation programmes 3				
Expenditure	622	891	269	907
Revenue	(201)	(175)	26	(178)
Net Expenditure	421	716	295	729
	Actual	Budget	Variance	Actual
Capital Expenditure (\$000)	2013	2013	2013	2012
5.1.1 Swimming Pools 4				
Expenditure	4,054	3,807	(247)	4,417
Unspent portion of budget to be carried forward	N/A	6,272		N/A
5.1.2 Sportsfields				
Expenditure	1,375	1,379	4	609
Unspent portion of budget to be carried forward	N/A	34		N/A
5.1.3 Sportsfields (Synthetic)				
Expenditure	38	38	0	1,074
Unspent portion of budget to be carried forward	N/A	12		N/A
5.1.4 Recreation Centres				
Expenditure	188	60	(128)	5,766
Unspent portion of budget to be carried forward	N/A	32		N/A
5.1.5 Recreation partnerships				
Expenditure	265	263	(2)	232
Unspent portion of budget to be carried forward	N/A	0		N/A
5.1.6 Playgrounds				
Expenditure	269	270	0	725
Unspent portion of budget to be carried forward	N/A	72		N/A
5.1.7 Marinas				
Expenditure	96	95	(1)	348
Unspent portion of budget to be carried forward	N/A	7		N/A

1 Over budget due to the Tawa pool closure running longer than planned. Revenue is also behind target in the fitness centres.

2 Operating revenue is under budget at the ASB Sports Centre

3 Under budget due to lower labour costs.

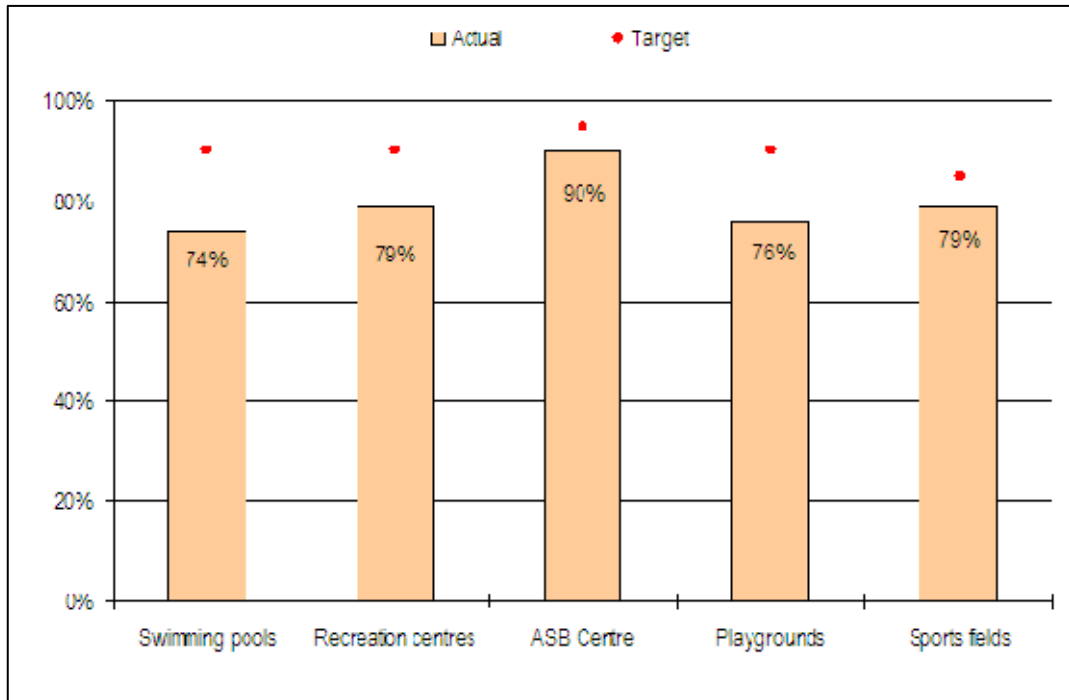
4 Delays have been experienced with the Keith Spry Pool redevelopment. Construction has now begun, this significant upgrade is expected to be completed in the 2014/15 financial year.

How we performed

We provide a wide range of facilities that offer access to sports and recreation opportunities for residents. We assess our performance by measuring use of, and user satisfaction with, recreation services, facilities and recreation programmes.

To understand the standard of the services we provide; and the value the public hold of them

User's (%) satisfaction with recreation services and facilities



Source: WCC Residents' Monitoring Survey 2013

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

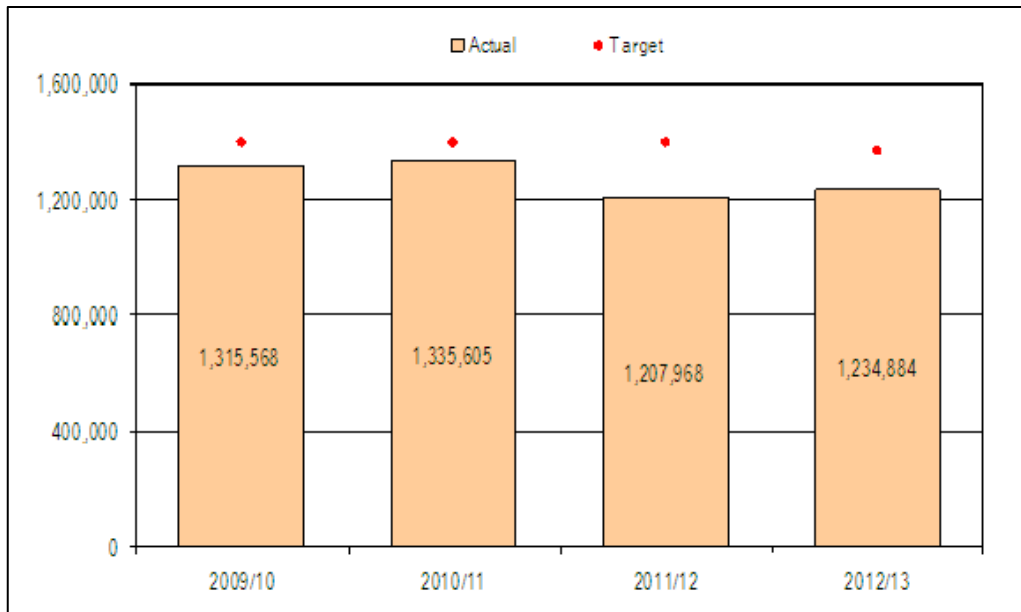
Result: 61% (target: 80%; 2011/12: 77%; 2010/11: 79%).

We are undertaking customer service surveys with the users of recreation facilities to identify where improvements can be made.

Source: WCC Residents' Monitoring Survey 2013

To understand the reach and utilisation of the services we provide

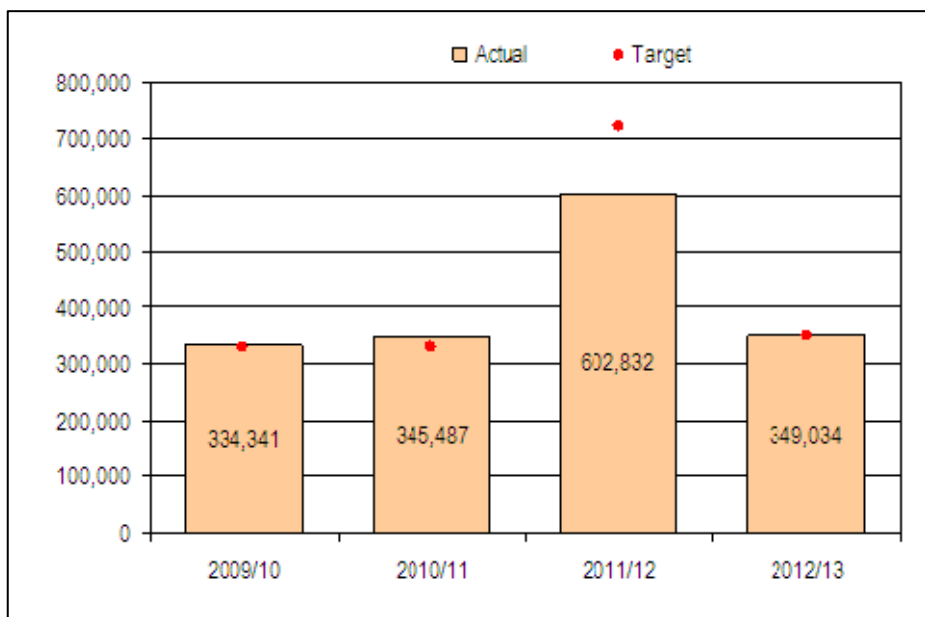
Visits to Wellington City Council swimming pools



Source: Recreation Wellington

Attendance is down due to the prolonged closure of Tawa Pool (from October 2011 – November 2012), the expected extra attendance at Keith Spry to cover Tawa closure did not occur. Added to this was the delay in opening the Karori Teaching Pool which was budgeted to have been operating from the beginning of the year but only opened in January 2013.

Visits to Wellington City Council recreation centres



Source: Recreation Wellington

Note: the 2011/12 figures include the ASB Centre which opened that year, from 2012/13 onwards they are reported on separately.

ASB Centre Courts % utilisation – peak and off peak

Result: Peak = 41% (target 51%) Off-peak = 28% (target 25%).

Utilisation of courts at ASB Sports Centre is lower than target due to shorter competition seasons being operated by sports organisations than was anticipated in our annual plan.

Source: ASB Centre

Visits to the ASB Centre– peak and off peak

Result: Peak = 324,694 (target 392,730) Off-peak = 199,201 (target 116,730).

Overall, attendance at ASB Sports Centre has exceeded target

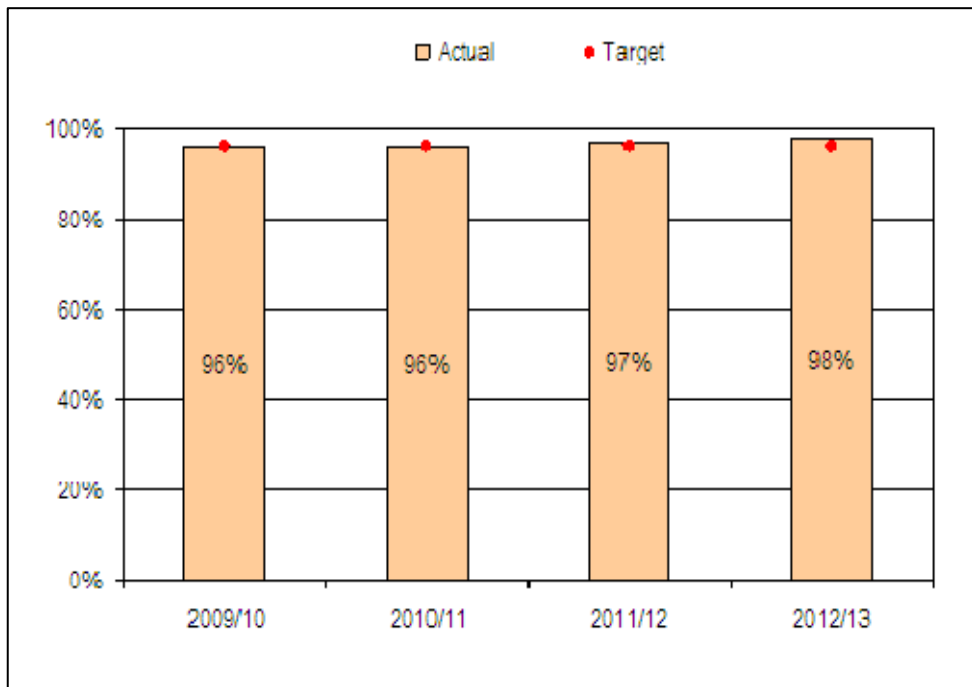
Source: ASB Centre

Sports fields - % of scheduled sports games and training that take place

Result: Winter = 84% (target: 80%) Summer = 94% (target: 90%)

Source: WCC Parks and Gardens

Marina's berths and boatsheds occupancy



Source: WCC Parks and Gardens

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

Result: Winter peak = 79% (target 80%) Off-peak = 19% (target 15%)

Summer peak = 39% (target 60%) Off-peak = 13% (target 10%)

Summer peak usage of artificial pitches is down as we continue to work with Regional Sporting Organisations/Clubs and Community Groups during the peak holiday season. We are still working with summer sporting codes to make the transition from grass to artificial fields.

Source: WCC Parks and Gardens

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

Result: Winter = 79% (target 80%) Summer = 36% (target 60%)

Summer peak usage of artificial pitches is down as we continue to work with Regional Sporting Organisations/Clubs and Community Groups during the peak holiday season. We are still working with summer sporting codes to make the transition from grass to artificial fields.

Source: WCC Parks and Gardens

5.2 Community participation and support

Tautoko hapori

We recognise the importance of building local community resilience by supporting partnerships and programmes that connect communities and neighbourhoods and enhance community safety.

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

What we do

Libraries

Access support (Leisure Card)

Community advocacy and support

Grants (social and recreation)

Community centres and halls

Housing

Our community and participation support activities contribute towards us being:

People-centred: They promote individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities that are better able to cope with change and provide support during times of adversity. They reflect and respond to a diversity of needs and promote accessibility and active and healthy lifestyles. They provide an opportunity for a home and a better quality of life for those less well-off without unreasonable hardship.

Connected: They help people and communities connect and engage with each other and foster the exchange of knowledge and ideas through social, physical and virtual networks.

Dynamic Central City: They respond to the diversity of individual and community needs and promote a diverse, safe and vibrant city.

We have worked collaboratively with the homeless community and a range of government agencies / community organisations that work with people experiencing or are vulnerable to homelessness in developing Te Mahana - a draft strategy to end homelessness in Wellington by 2020.

Key projects

During the year:

- Our Summer Reading Challenge for children encouraged children to read and review as many titles from the list as they could over a 7 week period. Over 900 entries were received.
- A promotion of the Mango languages database for people wanting to learn a new language resulted in an increase of more than three times the usage.
- During the year we launched our Mobile App. This gives users of smart phones and tablets the ability to access a range of library services.
- Throughout the year a number of successful library events were staged in partnership with community organisations including Law for Lunch; talks on heritage issues and demonstrations of online library resources to Seniornet members.
- Leisure card membership continued to grow with more than 7,000 Wellingtonians carrying the card and over 120,000 visits to our recreation facilities during the year.
- We worked with the key government departments, agencies and others across the city to develop a local Wellington City Welfare Plan which provides a framework for the delivery of welfare for people and animals in an emergency. This was successfully activated to provide a welfare response to two emergencies. We are also working with Capacity to install a series of water tanks across the city for use by the community in an emergency.

We are working in partnership with member organisations of the Wellington Council of Social Services to map the city's social services and build a comprehensive picture of the funding, delivery of social services, to identify current and emergent gaps in social services provision.

- In response to increased incidences of begging we developed a number of innovative initiatives which includes an Alternate Giving Scheme. The initial social marketing campaign is to encourage people to stop giving to people on the street and to give to support agencies instead. A phone app has been developed to allow immediate electronic payments to charities of choice. We are also working with Massey University Design School to develop 'donation / awareness sites' that will be placed in key locations in the city
- We received \$15,000 funding through the Ministry of Youth Development's Youth Partnership Fund to work with local youth groups in Johnsonville on a mural.
- We continue to work in partnership with the Capital and Coast District Health Board and other regional Councils to develop a regional community directory that provides improved information on accessibility.

- We reviewed our grants criteria and created new funds that align with Council’s new priorities and will deliver outcomes that encourage healthy lifestyles, enhance connectedness and neighbourliness.
- We support 52 organisations with longer term contract funding across a range of sector groups, serving youth development, homelessness, volunteering and other social and recreational activities.
- We support a network of community centres and community spaces throughout the city, and opened Churton Park Community Centre in partnership with the community.

We have partnered with Wellington Community Law to develop an online resource to provide guidance and information to assist with all aspects of governance and the operation of running a community centre.

Housing

- We have completed the first five years of our 20-year upgrade programme in partnership with the Crown. The upgrade of Central Park and Newtown Park Apartments was completed and construction began at Berkeley Dallard Apartments and Marshall Court, while the revised preliminary design of Kotuku is underway.
- We undertook a wide range of programmes focused on tenant wellbeing and increasing inclusiveness and connectedness, including celebrating Neighbours Day with the second Annual Tenant Summit in March 2013 and the launching of Primetimers, a positive aging programme for over 80s. We ended the year with over 100 tenants attending Matariki celebrations at Central Park Apartments.
- We increased our delivery of on-site programmes including the addition of a third computer hub where our recently signed memorandum of understanding with the Pacific Training Institute will enable tenants to access free computer training courses to earn NZQA credits.
- We received six further awards for our work in housing:
 - The Australasian Housing Institute most inspirational colleague award
 - Wellington Association of City Housing Artists (WACHA) won the tenant led initiative award
 - The Housing Upgrade Project was highly commended in the Leading Housing Solution Award
 - NZ Institute of Architects Architect Award – National Residential Award for Regent Park Apartments
 - NZ Open Source Award for Use in the Social Services for the City Housing Computer Hubs
 - Property Council Award – Multi-unit Residential award for Regent Park Apartments

Housing Upgrade Project

The Housing Upgrade Project is the largest and most intensive social housing redevelopment project ever undertaken in New Zealand. The Council and the New Zealand Government are sharing the \$400 million cost of upgrading 2,300 homes. Treasury took on the oversight of the Project in 2013 and we have been building a positive working relationship with officials.

We have continued to work closely with the Housing New Zealand Corporation (HNZC) at both a national and regional level to make best use of knowledge and resources. This included providing feedback on housing demand forecasting models, sharing information on asset development plans and, with the closure of the Gordon Wilson

Apartment building, rehousing a number of HNZN tenants by leasing some of our low-demand units to the Corporation.

A strength based community development programme runs alongside the upgrade to help increase social capital and community spirit and pride within City Housing communities. A partnership with MSD, Hawkins, and BCITO is proving successful and is placing a number of tenants into employment with Hawkins. We have also worked in partnership with the Wellington Regional Emergency Management Office to increase resilience within the tenant community.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
5.2.1 Libraries 1				
Expenditure	20,104	20,683	579	21,234
Revenue	(1,832)	(2,284)	(452)	(2,112)
Net Expenditure	18,272	18,399	127	19,122
5.2.2 Access Support				
Expenditure	125	163	38	120
Revenue	0	0	0	0
Net Expenditure	125	163	38	120
5.2.3 Community Advocacy				
Expenditure	1,617	1,573	(44)	1,776
Revenue	(190)	(100)	90	(164)
Net Expenditure	1,427	1,473	46	1,612
5.2.4 Grants (Social and Recreation)				
Expenditure	3,312	3,326	14	6,388
Revenue	0	0	0	(17)
Net Expenditure	3,312	3,326	14	6,371
5.2.5 Housing 2				
Expenditure	21,115	20,934	(181)	19,051
Revenue	(47,010)	(52,772)	(5,762)	(65,754)
Net Expenditure	(25,895)	(31,838)	(5,943)	(46,703)
5.2.6 Community centres and halls 3				
Expenditure	2,853	3,185	332	2,827
Revenue	(223)	(246)	(23)	(230)
Net Expenditure	2,630	2,939	309	2,597
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
5.2.1 Libraries				
Expenditure	1,995	1,993	(2)	2,066
Unspent portion of budget to be carried forward	N/A	0		N/A
5.2.5 Housing 4				
Expenditure	31,744	32,876	1,133	49,102
Unspent portion of budget to be carried forward	N/A	6,634		N/A
5.2.6 Community centres and				

halls				
Expenditure	223	269	46	833
Unspent portion of budget to be carried forward	N/A	25		N/A

1 Under budget due to lower labour and IT costs.

2 Under budget due to timing of grant income recognition relating to the Housing Upgrade project.

3 Under budget due to lower labour, cleaning and depreciation costs.

4 Under budget due to timing changes on the Housing Upgrade Project and delays in the renewals programme.

How we performed

Our aim is for strong, resilient and engaged communities in which everyone feels included.

We aim to provide a high quality library service, and we measure residents' use of and satisfaction with library services, facilities and range of collection.

We assess success in community support in a variety of ways, including use of community centres and halls and community group satisfaction with Council relationships. We also keep track of the number of groups supported through social and recreation grants.

We aim to provide good quality homes to people whose housing needs are not met by other landlords. We assess our effectiveness by measuring tenant satisfaction, compliance with legal requirements, completion of scheduled upgrades and occupancy rates.

To understand the standard of the services we provide; and the value the public hold of them

Libraries - user (%) satisfaction with services and facilities

Result: 87% (target: 90%; 2011/12: 95%; 2010/11: 95%)

Source: WCC Residents' Monitoring Survey 2013

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

Result: 87% (target: 85%; 2011/12: 92%; 2010/11: 94%)

Source: WCC Residents' Monitoring Survey 2013

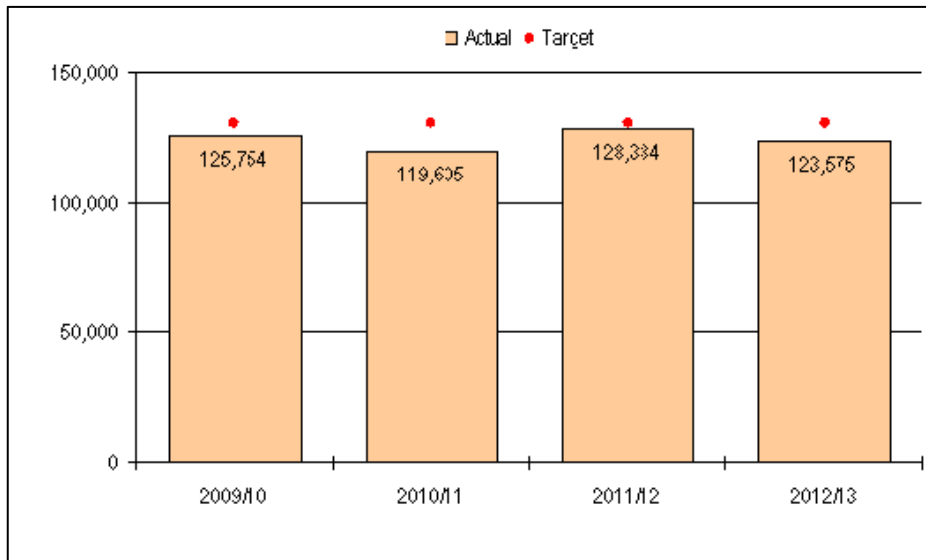
Residents (%) who agree that library services and facilities provide good value for money

Result: 76% (target: 85%; 2011/12: 84%; 2010/11: 86%)

Source: WCC Residents' Monitoring Survey 2013

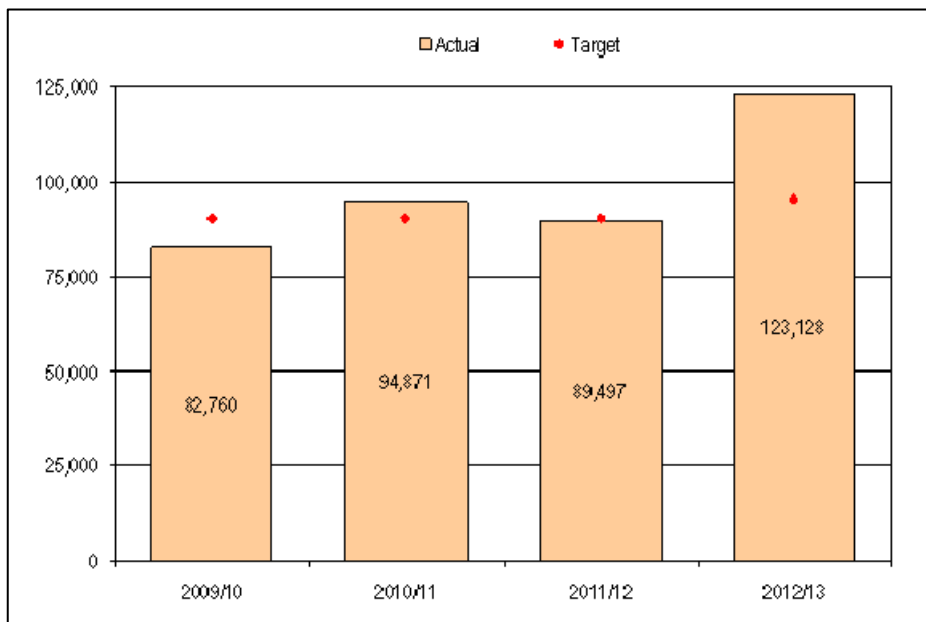
To understand the reach and utilisation of recreation services

Users of programmes – recreation centre programmes



Source: Recreation Wellington

Number of uses of Leisure Card



Source: Recreation Wellington

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

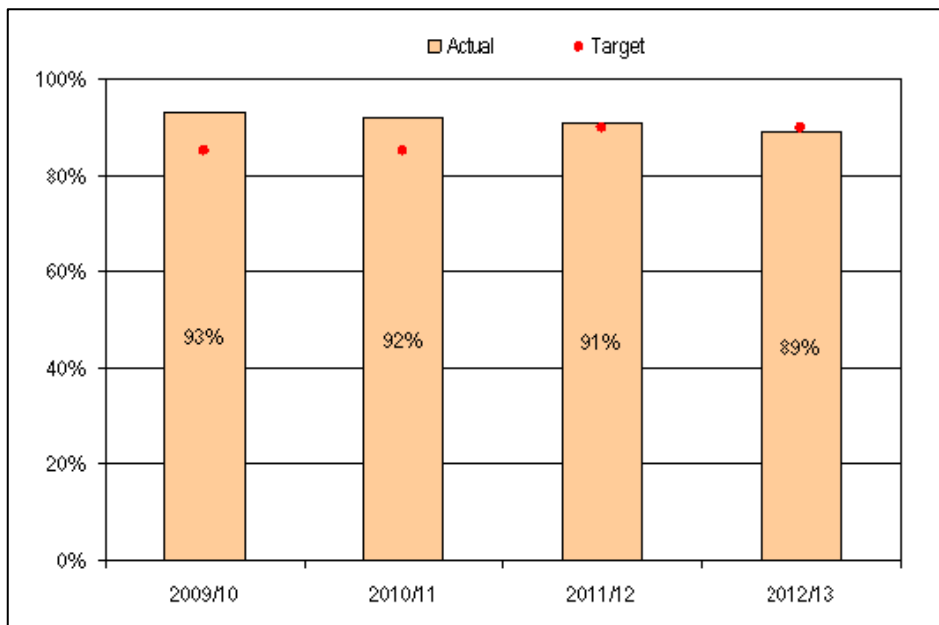
Result: 55% (target 85%; 2011/12: 79%; 2010/11: 84%)

We are attributing this drop in result to the change in methodology, as the number of people accessing our facilities and programmes has increased dramatically during this last year which would suggest that we are making access easier.

Source: WCC Residents' Monitoring Survey 2013

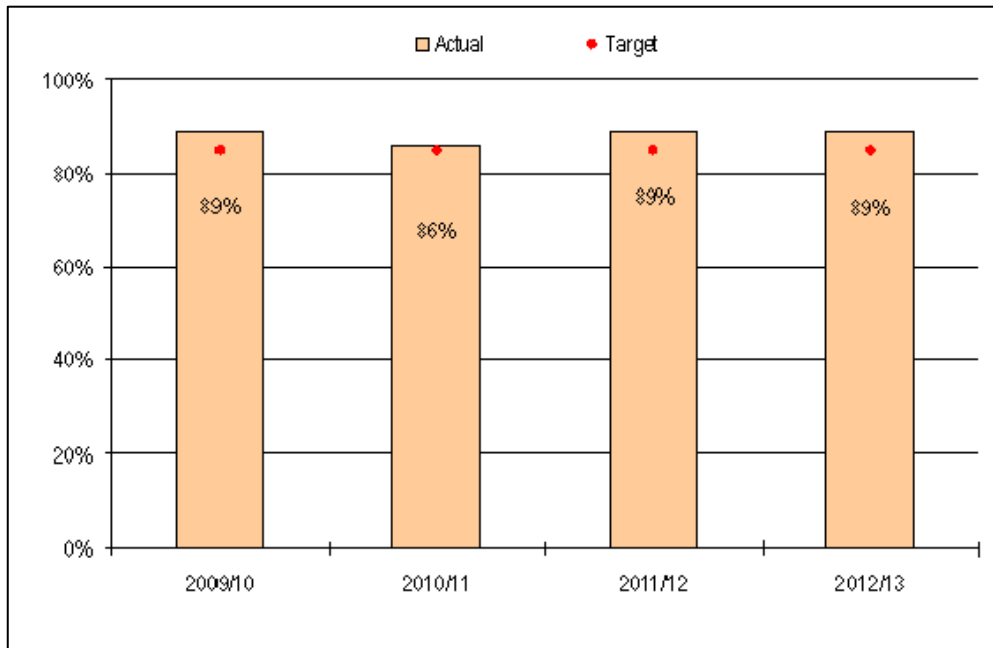
To measure the standard of the housing services we provide

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



Source: WCC Housing Tenants Survey 2013

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



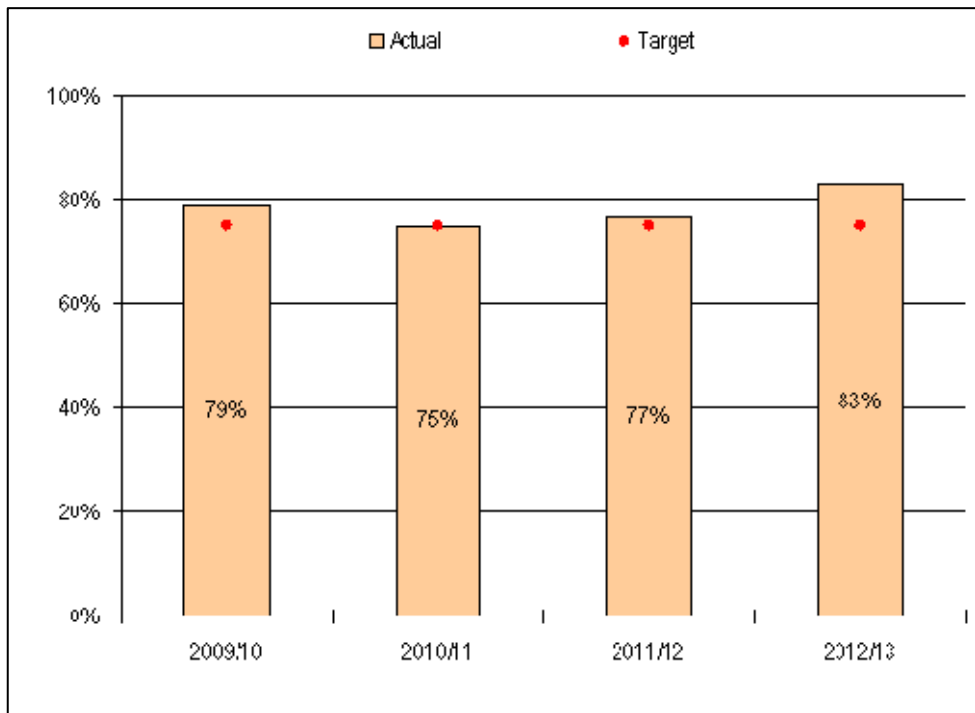
Source: WCC Housing Tenants Survey 2013

City Housing compliance with legislative requirements

Result: all City Housing services and facilities complied with all legislative requirements (eg Residential Tenancies Act and building warrant of fitness). Target: compliance (2011/12: compliant; 2010/11: compliant).

Source: WCC City Housing

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



Source: WCC Housing Tenants Survey 2013

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

Result: 87% (target: 65%; 2011/12: 91%; 2010/11: 90%; 2009/10: 90%).

Source: WCC Housing Tenants Survey 2013

To measure the utilisation and demand of the social housing resource

Occupancy rate of available housing facilities

Result: 94% (target: 90%; 2011/12: 83%; 2010/11: 86%).

This is the occupancy for available units - it excludes units we cannot let due to construction and upgrades as part of the Housing Upgrade Project.

Source: WCC City Housing

All tenants (existing and new) housed within policy

Result: 99% (target: 98%).

Source: WCC City Housing

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

Result: 85% (target: 85%; 2011/12: 83%; 2010/11: 83%).

Source: WCC Housing Tenants Survey 2013

To track the progress of the Housing Upgrade Project

Milestones for Housing Upgrade Project

We completed the upgrade of Central Park Apartments in August 2012 and Newtown Park Apartments, ahead of schedule, in June 2013, a total of 395 units. The upgrades included seismic strengthening, new kitchens and bathrooms, thermal curtains, improved ventilation and insulation and the reconfiguring of some units.

Construction is currently underway at Berkeley Dallard Apartments and Marshall Court (Miramar) while the revised preliminary design of Kotuku (Kilbirnie) is underway. Engagement with the tenant community included strategies to maximise opportunities for tenant input to the design phases of all upgrade projects.

We successfully relocated over 140 households either in order to begin construction or back into upgraded properties. With only small numbers of existing tenants relocating to Central Park and Newtown Park Apartments we have managed to significantly reduce the number of households on the waiting list.

All other projects are on target to meet budgets, and design and tender milestones.

Target: meet all milestones, design standards and budgets (2011/12: achieved).

Source: WCC City Housing

To understand the effectiveness of our community support services

Community groups (%) satisfied with council relationships

Result: 86% (target: 90%; 2011/12: 79%; 2010/11: 83%)

Source: WCC Community Networks Customer Satisfaction Survey

Residents' neighbourliness behaviours

Result: 92% of residents have displayed 'neighbourliness' behaviour (target: 65%)

Source: WCC Residents' Monitoring Survey 2013

Accessible Wellington Action Plan initiatives planned for year progressed or completed

Result: 81% (target: 80%)

This is the first year this has been measured, and measurement will be refined and developed in partnership with the Accessibility Advisory Group. An Accessibility Advisor will assist in further developing Council wide monitoring of accessible projects. To date, projects include developing an open spaces audit checklist with accessibility as key criteria for evaluating effectiveness. Accessibility is also being integrated into project management outcomes and resources and training has been provided to assist contractors in understanding the need of accessibility in their

planning and delivering. Our libraries ensure technologies and services will improve participation and access for all, and are providing accessibility and customer interaction skills training for staff.

Source: WCC Community Networks

To understand the effectiveness of our recreation support distribution

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

Result: 100% (target: 95%).

Source: WCC Community Networks

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

Result: 96% (target: 90%).

Source: WCC Community Networks

To understand the reach and utilisation of the services we provide

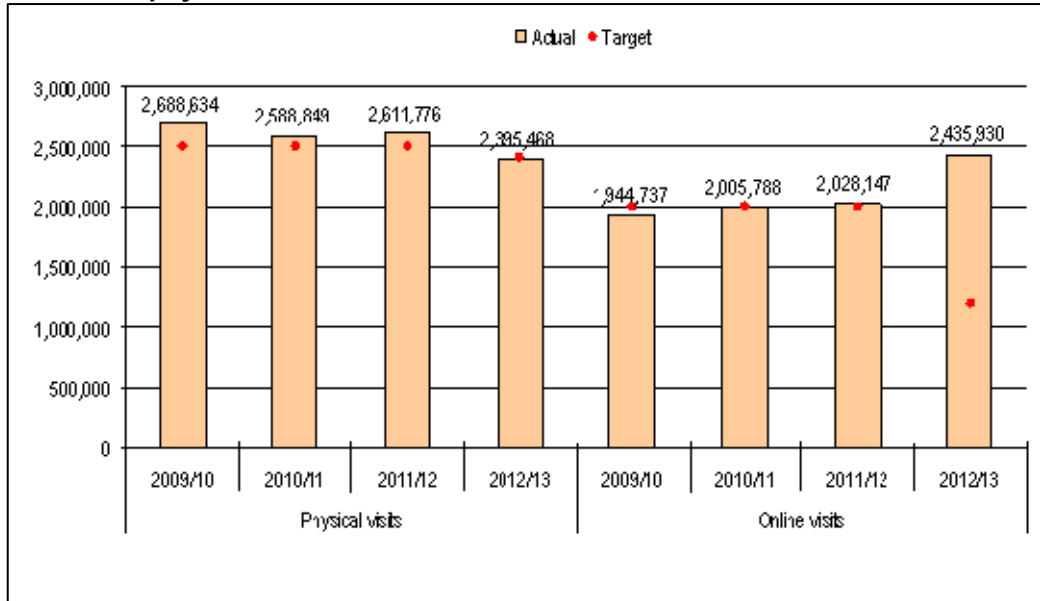
Libraries - Residents (%) who are registered members

Result: 67% (target: 75%; 2011/12: 61%; 2010/11: 78%)

The 75% target was based on a the previous library computer system definition of who an active library member was, and it included customers who remained on the system if they had active debts even although they were not using their library card. We now have the facility to exclude those, which is a more accurate figure of the active memberships.

Source: Wellington City Libraries

Libraries – physical visits and website visits



Targets for 2012/13 onwards were updated and set as part of the 2012-22 Long-term Plan.

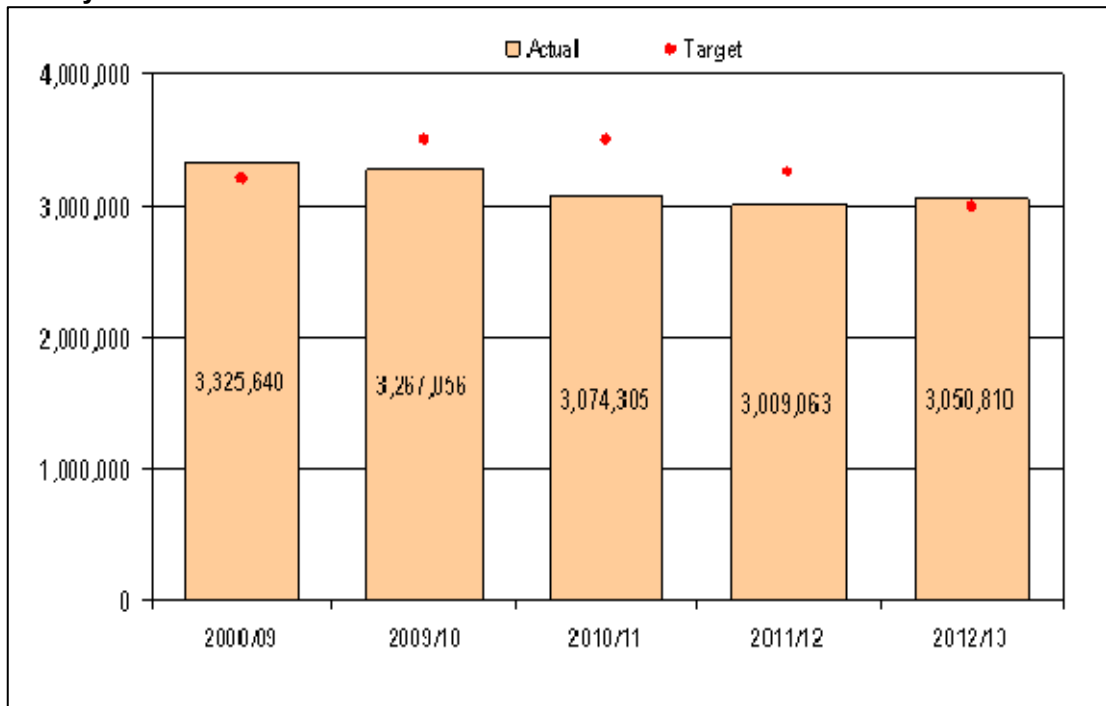
Source: Wellington City Libraries

Library programmes – estimated attendees

Result: 81,273 (target: 70,000; 2011/12: 95,544; 2010/11: 89,886)

Source: Wellington City Libraries

Library items issued



Source: Wellington City Libraries

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

Result: 70% (target: 67%)

Source: Wellington City Libraries

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

Result: 30% (target: 60%).

There has been a change to the methodology for calculating occupancy rates, which now combines the measure for community centres and community halls. The combined measure calculates occupancy based on the total number of hours the facility can be booked rather than a mix of bookable and staffed hours. We have reset the target from 60% to a new stretch target of 45%. We expect to meet target by the end of 2013.

Source: WCC Community Networks

Homelessness - % of known homeless people supported by agencies

Target: 100%. The result is not available as this will be a component of the Te Mahana (homelessness) project work which is still in development and the tools for this measurement will be a component of the finished strategy in December 2013/January 2014.

Source: WCC Community Networks

5.3 Public health and safety

Hauora tūmatanui me te haumanu

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

What we do

Burials and cremations

Public toilets

Public health regulations

City safety

Wellington Regional Emergency Management Office (WREMO).

Our public health and safety activities contribute towards us being:

People-centred: They make Wellington a safe city that is better able to cope with change.

Dynamic Central City: They make the central city a safe place for people to live work and play.

We have undertaken a joint liquor licensing monitoring programme with Regional Public Health and New Zealand Police. The programme has included controlled purchase operations (purchase by person under 18 in controlled circumstances) joint inspections and combined enforcement proceedings.

Key projects

During the year:

- We constructed headstone beams in the Roman Catholic, Poon Fah, Soldiers, Muslim and Plaque Lawn sections at Makara Cemetery and began planting and fencing for the extension of the Natural Burial site at Makara Cemetery.
- We worked with the Shia Muslim Community of Wellington in developing a Shia Muslim section at Makara Cemetery, and assisted the Greek community to construct a new chapel at Makara Cemetery.
- We completed the new Exeloo public toilets at Newlands Mall and Grasslees Reserve.
- The renewal of the Evans Bay Park pavilion includes two larger changing rooms, an increased number of shower heads and an all gender accessible public toilet.
- Four hundred food businesses are now operating with Food Control Plans under the voluntary implementation programme, which equates to a third of all food businesses operating in Wellington City.

City safety

We maintained International Safe Community accreditation (WHO safe city status) which emphasises collaboration with partners to deliver safety initiatives in the city. These initiatives include local community and suburban programmes, working in partnership with community police, community patrols and neighbourhood support groups.

- The Regional Graffiti Strategy was agreed and we are developing a Graffiti Management Plan to provide a framework for the city response to, and eradication of, graffiti and vandalism. We have also have introduced the Stoptags database, in which the information is shared with the police and assists us in monitoring and developing graffiti responses.
- As part of a personal safety campaign we launched the Wolf Pack campaign. The campaign was developed by third-year Massey University Visual Communication Design students and included a phone app where users can keep connected to friends and be safe.
- Our Walk Wise programme was reviewed and brought in-house. Local Hosts have three main roles, primarily they are the city's ambassadors but also provide daily reporting on issues in the CBD. Local Hosts work in partnership with the Police.
- In partnership with the Police, a City Safety CCTV hub was opened this year. This is monitored by police-trained volunteers and Local Hosts and connects with community patrols to assist and share information.

Wellington Regional Emergency Management Office (WREMO).

- During the year, WREMO developed the next generation Group Plan. This strategic level document was created with direction from the joint committee along with input from Community-Driven Emergency Management (CDEM) partners comprising council general managers, welfare organisations, emergency services, Lifeline organisations and council planners. Formal consultation was conducted at 10 venues throughout the region and correspondence was received from a further four individuals/organisations. The Group Plan was approved by the joint committee on 28 June 2013.

- A companion document, the Community Resilience Strategy, was produced to provide the philosophy and systematic approach, guiding WREMO initiatives in this area. This document has since become the subject of favourable feedback from both New Zealand and external sources. The document was placed on the WREMO website in support of the successful application by Wellington City to participate in the UN-Habitat City Resilience Profiling Programme.
- A comprehensive audit of each Emergency Operations Centre (EOC) was completed. The resulting remedial action plan is well underway, designed to improve and enhance all EOC systems, equipment and procedures, to ensure sustained operations.
- During the course of the year, WREMO, along with regional operations, responded to the following events: a Tsunami watch, a Rural Fire, a landslide, and a severe storm.

Emergency Management Partnerships

WREMO in association with partner councils gained three awards from the International Association of Emergency Managers (IAEM). Two were for the Blue Line project and one for the CDEM Volunteer Programme which won the 2013 “Partnership in Preparedness” Oceania award. This recognised WREMO for its development of a new volunteer programme that leverages its efforts to build a connected and prepared community through its new philosophy, Community-Driven Emergency Management (CDEM). The four-module course, including a new volunteer handbook, was created to reflect the change of philosophy toward being social capacity building oriented and community focused. The new programme stands apart from others, with its strong emphasis on connectedness and preparedness while continuing to build solid community response capacity.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
5.3.1 Burials and Cremations				
Expenditure	1,760	1,680	(80)	1,646
Revenue	(865)	(824)	41	(802)
Net Expenditure	895	856	(39)	844
5.3.2 Public Toilets				
Expenditure	2,164	2,168	4	2,311
Revenue	0	0	0	(2)
Net Expenditure	2,164	2,168	4	2,309
5.3.3 Public Health Regulations				
Expenditure	3,878	3,861	(17)	4,775
Revenue	(2,533)	(2,483)	50	(2,430)
Net Expenditure	1,345	1,378	33	2,345
5.3.4 City Safety				
Expenditure	2,105	2,127	22	1,781
Revenue	(59)	(10)	49	(3)
Net Expenditure	2,046	2,117	71	1,778
5.3.5 WEMO				

Expenditure	2,010	1,934	(76)	2,202
Revenue	(148)	(38)	110	(84)
Net Expenditure	1,862	1,896	34	2,118
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
5.3.1 Burials and Cremations				
Expenditure	110	109	(1)	215
Unspent portion of budget to be carried forward	N/A	0		N/A
5.3.2 Public Toilets 1				
Expenditure	734	735	1	418
Unspent portion of budget to be carried forward	N/A	150		N/A
5.3.4 City Safety				
Expenditure	0	0	0	173
Unspent portion of budget to be carried forward	N/A	0		N/A
5.3.5 WEMO				
Expenditure	0	0	0	85

1 Under budget due to delays in the renewal of the Martin Luckie Park Pavilion. The planning process has taken longer than expected.

How we performed

We aim to protect and enhance public health and safety. We measure our effectiveness through residents' satisfaction with and complaints about facilities and services and by monitoring food premises' compliance with health and safety standards.

To measure the progress towards minimising threats to public safety

Emergency management

As of July 2012 a new regionally shared emergency management organisation (Wellington Regional Emergency Management Office – WREMO) has been operating. The new organisation is hosted by the Wellington Regional Council but it is accountable to the region's Mayors and the Chief Executives' Group of all the regional local authorities.

WREMO has updated a number of regional emergency management plans and is delivering training programmes for Civil Defence volunteers. In addition it has been re-organising the main Emergency Operations Centres for the region and ensuring that these will be ready to be activated in an emergency. The agreed plans contain a number of key performance indicators which will be monitored.

A total of 144 people (equivalents) were trained throughout the region in EOC/Emergency related skills. Further courses will be programmed.

Number of trained civil defence volunteers

Result: 382 (target: 400)

Source: WCC City Networks

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

Dog control – complaints received (% of registered dogs)

Result: 26% (target: maintain or improve – there is no historical data for this measure. Next year the target will be for complaints received to be 26% or less of registered dogs.)

Source: WCC Public Health

Response to service requests - dog control

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

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

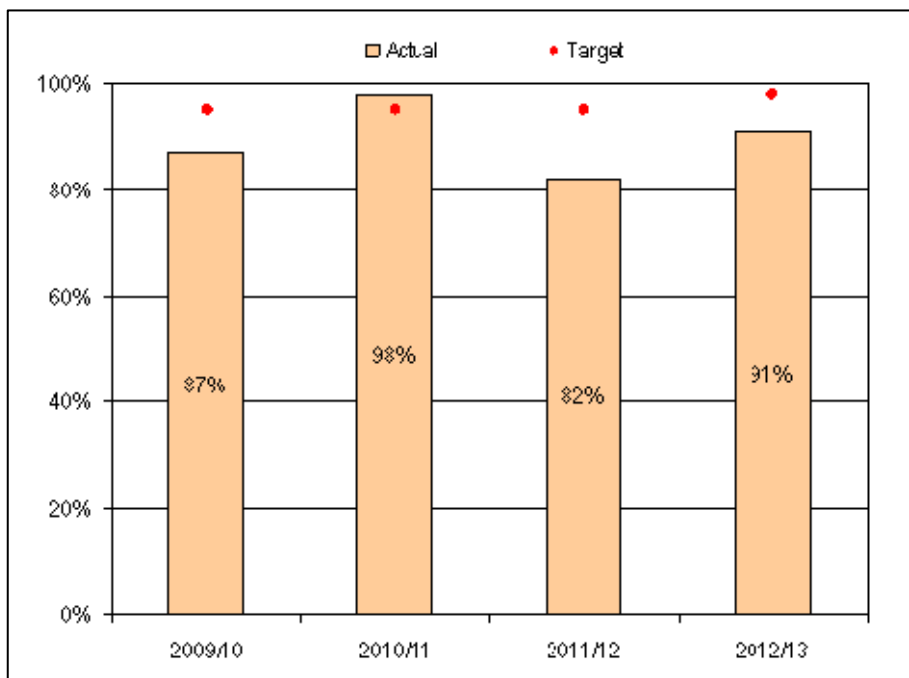
Source: WCC Public Health

Food premises – number of cleaning notices and closures per year

There were 38 cleaning notices and closures during the year. There is no target for this measure.

Source: WCC Public Health

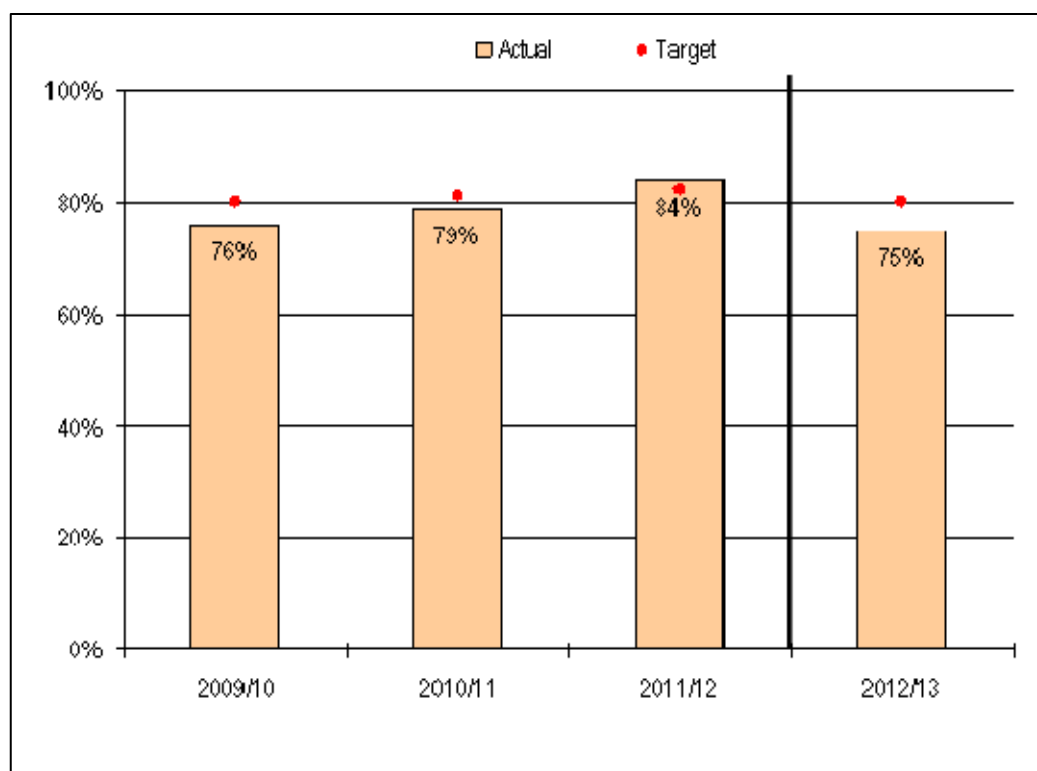
Food premises (%) with excellent or very good hygiene ratings that maintain or improve their rating



The target was increased to 98% from 95% last year. This measures performance of premises during the year in ensuring they maintain required health standards. Downgrading can be due to numerous factors, most commonly loss of trained staff, deferred maintenance, and reduced cleaning standards.

Source: WCC Public Health

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



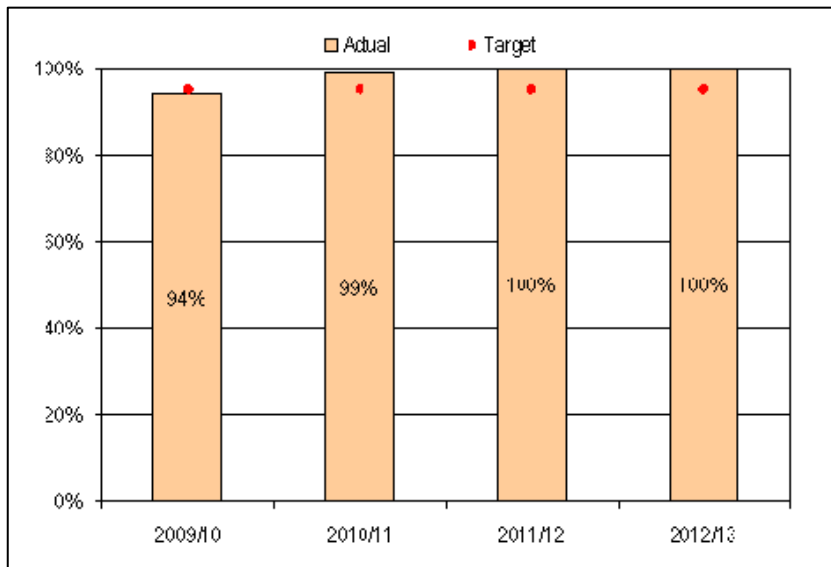
Source: WCC Residents' Monitoring Survey 2013

Response to service requests - public toilets

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

Source: WCC Parks and Gardens

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



Source: WCC Parks and Gardens

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

We achieved 100% of after-hours inspections for high risk liquor premises. This is a new annual plan measure.

Source: WCC Public Health

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

Result: 26% (target: 25%) This is a new annual plan measure.

Source: WCC Public Health

Urban development - Tāone Tupu Ora

6.1 Urban planning, heritage and public spaces development

Whakahaerenga whare me te whanaketanga

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

What we do

Urban planning and policy development

Waterfront development.

Public space and centres developments

Built heritage development

Our urban planning, heritage and public spaces development activities contribute towards us being:

People-centred: They promote the adequacy and safety of our homes and buildings and reduce the risks of injury and damage from earthquakes.

Eco-city: They encourage the incorporation of green design features and principles into urban development and promote the preservation and greening of character built landscape rather than destruction and redevelopment

Dynamic Central City: They contribute to Wellington being a safe and good place to do business through continuously reviewed and informed policy and cost effective and timely service delivery.

What would Cuba Street look like in 20 years?

We coordinated an extension of the recent Victoria University student project on Cuba Street. Our Heritage and Earthquake Resilience teams collaborated with 80 fourth year students from the Victoria University Schools of Architecture and Design, on a project "What would Cuba Street look like in 20 years?" that focused on exploring options for the earthquake strengthening of Cuba Street buildings while retaining their heritage character and that of the street. An exhibition of the students' work was held at the Schools of Architecture and Design in November 2012, and provided innovative and provocative answers.

Key projects

During the year:

- District Plan Change 77 'Curtis Street Business Area' was notified and we completed the submission process, receiving 75 submissions.
- The final appeal on DPC48 (Central Area Review) has been settled and signed off by the Environment Court. This is a significant milestone for this Plan Change which was notified in September 2006.
- Approximately 15 individual Environment Court appeals were resolved (14 resolved by mediation).
- We appeared in two Environment Court hearings - one on the Johnsonville Medium Density Area (DPC72) and the other on amateur radio installations (DPC74). The Court ruled in favour of both plan changes.
- Memorial Park – we have been working in partnership with the New Zealand Transport Agency (NZTA) other parties including the Australian Government on delivering this high quality park. We are contributing \$5 million of capital funding to this work in 2013/14. The timing of the work will ensure the park will be complete for ANZAC commemorations and ahead of the anniversary of the capital city status in 2015.
- Parliament Precinct – work has begun on the area between Whitmore Street and Molesworth Street. We are beginning to engage with key stakeholders to enable a detailed design to be delivered before the 2015 commemorations.
- Kilbirnie upgrade - The first part of a \$1.5 million upgrade of Kilbirnie town centre began in September 2012. With the help of the local community and businesses, the Council developed a plan aimed at revitalising the town centre and creating an attractive, vibrant, people-friendly and prosperous part of Wellington City. The work focused on improving the main shopping street – Bay Road. This included extending and improving the pedestrian areas and upgrading the lighting to help make the street safer at night. Construction work progressed slower than expected due to the replacement and location of a number of old services and works being halted during December to minimise impacts on Christmas trading. The upgrade will be completed by mid August 2013.
- We are upgrading Miramar Town Centre. The public space improvements will include improved parking and pedestrian safety, creation of public space, and the relocation of the public toilets. We have worked closely with the local community and businesses to ensure that the design was right for the area and that businesses would be able to operate throughout the whole process of construction.
- The Central City Framework sets out a vision for the development of the central city. This year we have undertaken improvements to Opera House Lane, including new lighting and artwork installation and commenced works to improve the access and amenity of Clyde Quay.
- The Built Heritage Incentive Fund is being applied mainly to projects on heritage buildings which need support for earthquake strengthening.

- The Thematic Heritage Study of Wellington has been completed and will be available on our website. The study provides a framework which will be used to assist in assessing the District Plan heritage listings and ensuring that listings represent Wellington’s diverse heritage.
- Wellington Waterfront Limited have undertaken the following capital works: commencing redevelopment of the Overseas Passenger Terminal; installing a diving platform by the Free Ambulance building; developing a design brief to guide the future of the North Kumutoto area (in line with Environment Court’s decision on Variation 11); completing seismic strengthening of Shed 11 and fit out of Shed 5 including the addition of ‘The Crab Shack’.

What it costs

	Actual 2013	Budget 2013	Variance 2013	Actual 2012
Operating Expenditure (\$000)				
6.1.1 Urban Planning and Policy Development 1				
Expenditure	2,168	2,388	220	2,207
Revenue	(4)	(20)	(16)	(4)
Net Expenditure	2,164	2,368	204	2,203
6.1.2 Waterfront development 2				
Expenditure	11,534	2,275	(9,259)	1,876
Revenue	(9,514)	0	9,514	(463)
Net Expenditure	2,020	2,275	255	1,413
6.1.3 Public spaces and centres development 3				
Expenditure	3,921	1,229	(2,692)	1,413
Revenue	0	0	0	(17)
Net Expenditure	3,921	1,229	(2,692)	1,396
6.1.4 Built heritage development 4				
Expenditure	899	1,168	269	802
Revenue	0	0	0	0
Net Expenditure	899	1,168	269	802
Capital Expenditure (\$000)				
6.1.1 Urban Planning and Policy Development 5				
Expenditure	967	967	0	197
Unspent portion of budget to be carried forward	N/A	527		N/A
6.1.2 Waterfront development 6				
Expenditure	6,307	4,042	(2,265)	4,700
Unspent portion of budget to be carried forward	N/A	418		N/A
6.1.3 Public spaces and centres development 7				
Expenditure	2,259	2,220	(39)	1,492
Unspent portion of budget to be carried forward	N/A	1,331		N/A
6.1.4 Built heritage development				
Expenditure	0	0	0	0
Unspent portion of budget to be carried forward	N/A	0		N/A

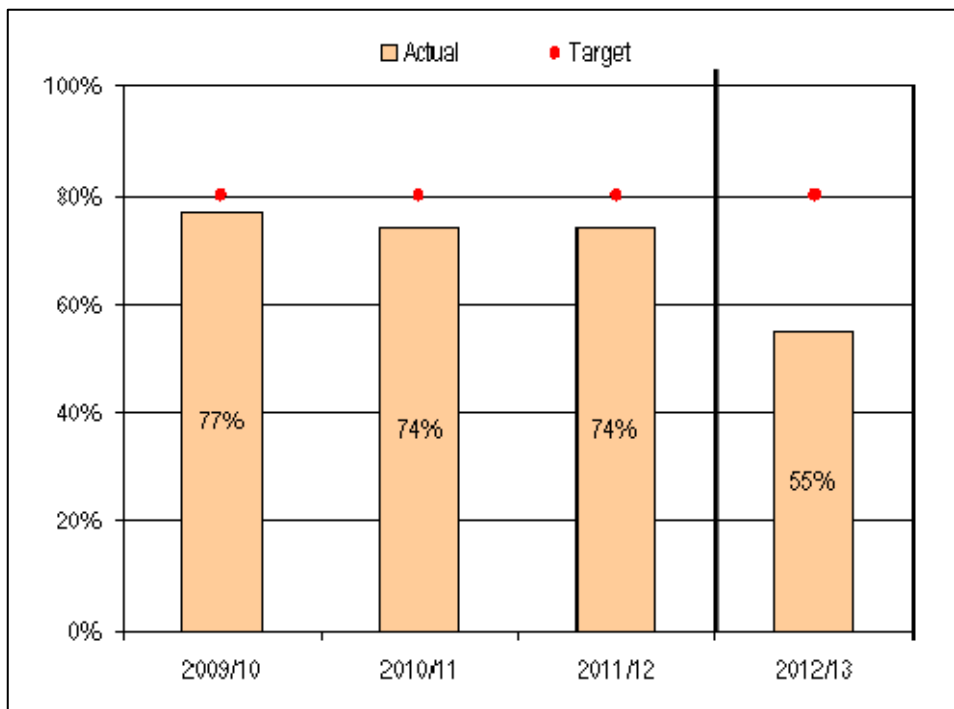
- 1 Under budget due to lower level of professional costs incurred this year on the District Plan.
- 2 Variance relates to the impact of the annual revaluation on investment property and consolidation of Wellington Waterfront.
- 3 Recognition of \$3m operating cost commitment to the National War Memorial project as approved by Council on 26 September 2012.
- 4 Under budget due to lower professional costs and the distribution of Heritage Grants.
- 5 Delays on the Kilbirnie project, expected to be complete in the early part of the 2013/2014 year.
- 6 Council approved additional budget to complete earthquake strengthening work on Shed 6.
- 7 Delays on the Laneways, Parliamentary precinct and Miramar projects.

How we performed

We encourage high-quality urban development that focuses growth in a way that makes the city more sustainable, while preserving its character. We monitor our District Plan programme and measure progress towards this aim through residents' perceptions of development in relation to urban character.

To measure our effectiveness at facilitating high quality urban development

Residents (%) who agree the city is developing in a way that takes into account its unique urban character and natural environment



Source: WCC Residents' Monitoring Survey 2013

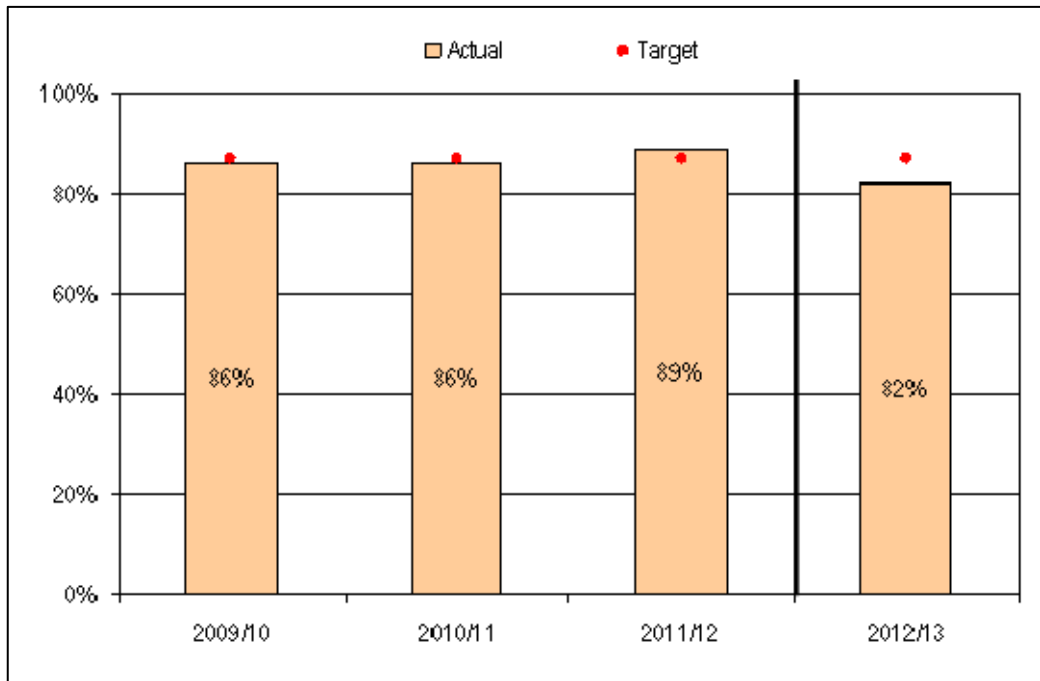
There has been an emphasis on concept design and planning throughout the period, and projects that were scheduled for construction for example Opera House Lane, have been delayed for various reasons. This sense of slow progress exacerbated by the general lack of building activity within the city may have impacted on results.

District Plan change appeals

Result: 100% of our District Plan appeals were resolved (target: 90%).

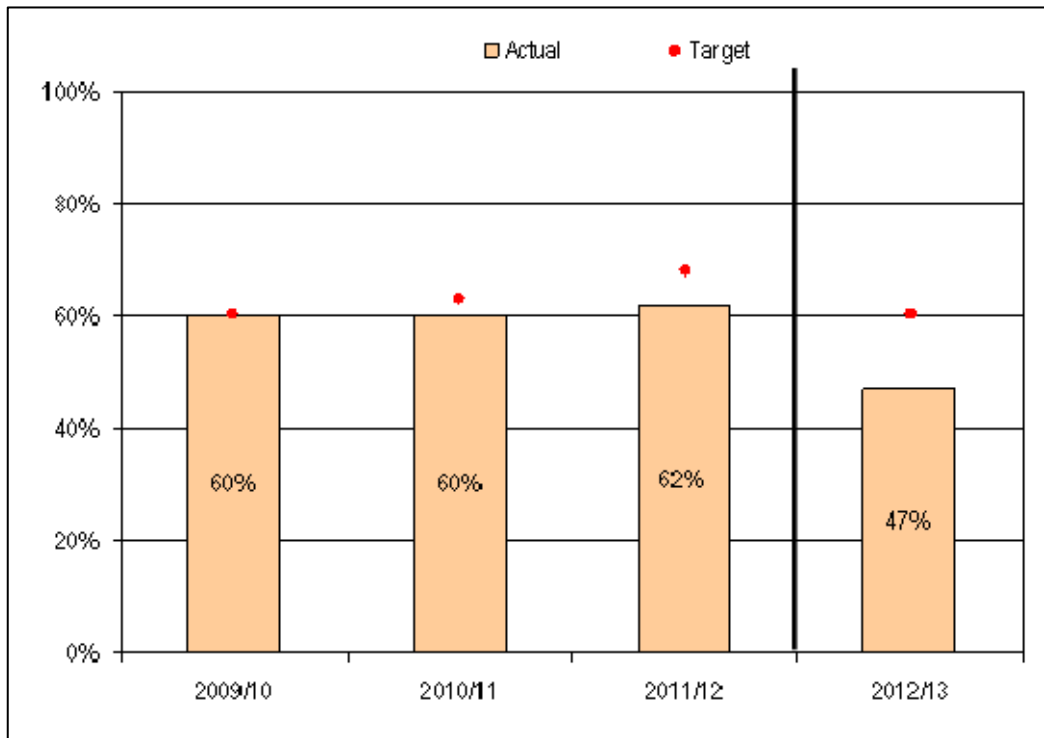
Source: WCC City Planning

Residents (%) who agree the central city is lively and attractive



Source: WCC Residents' Monitoring Survey 2013

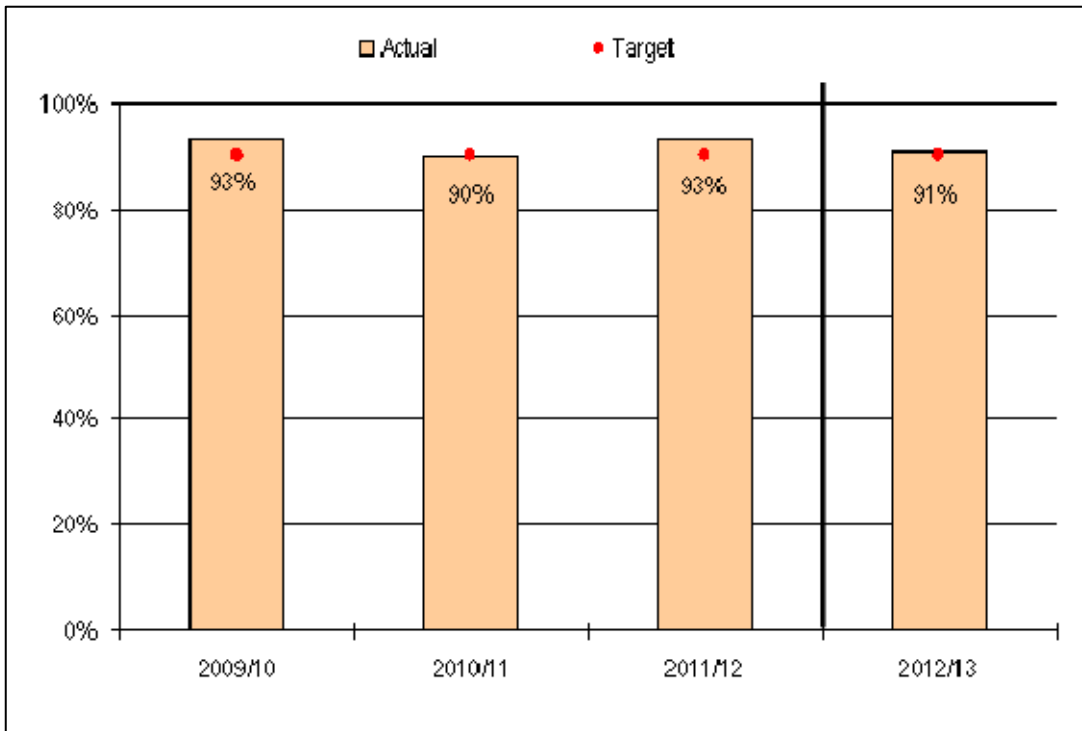
Residents (%) who agree their local suburban centre is lively and attractive



This drop may be influenced by the Kilbirnie Town Upgrade that has received considerable negative press due to delays.

Source: WCC Residents' Monitoring Survey 2013

Residents (%) who rate their waterfront experiences as good or very good



Source: WCC Residents' Monitoring Survey 2013

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

Result: 100% (target: 95%). This was a new measure.

Source: WCC Community Networks

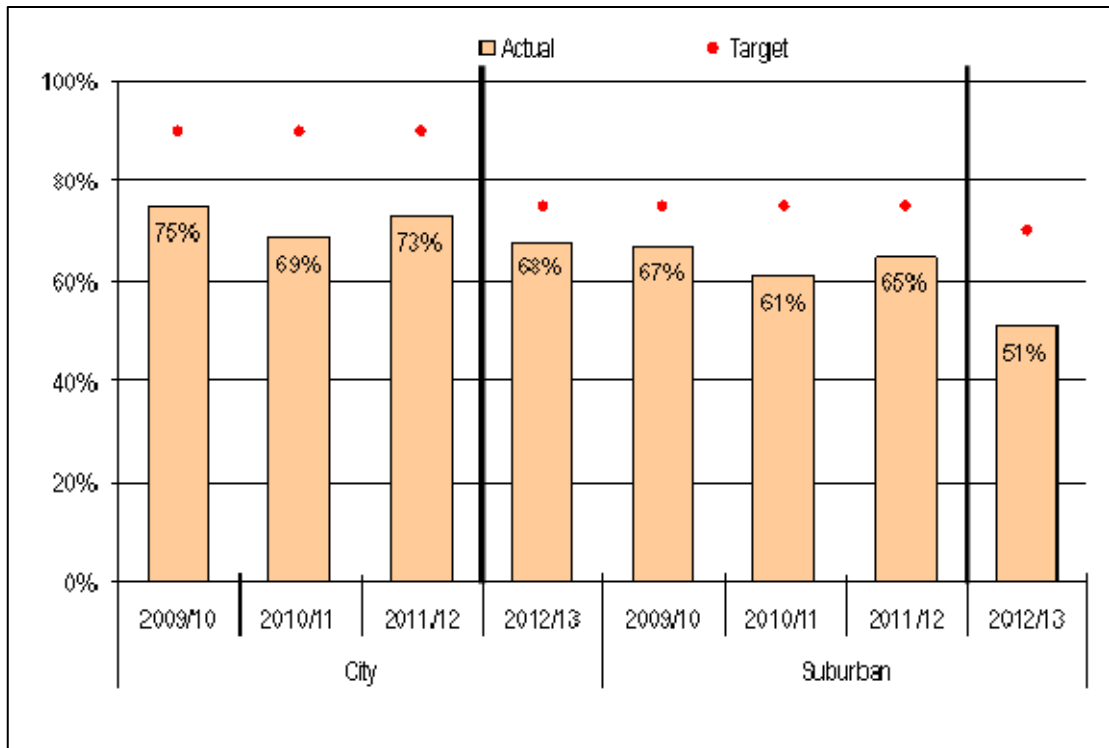
To measure our effectiveness at protecting the built heritage of the city

District Plan listed items that are removed or demolished

Result: 1 (target: 0). The one listed item that was removed was a heritage tree.

Source: WCC City Planning

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



Heritage protection is a topical national issue. After the earthquake in Christchurch, public sensitivity to the safety of buildings is applying pressure on listed heritage buildings. Signals from Central Government and media, is that less value should be placed on heritage buildings when considered against public safety and economic viability.

Source: WCC Residents' Monitoring Survey 2013

6.2 Building and development control

Māherehere tāone, whanaketanga wāhi tuku-ihotanga, wāhi tūmatanui

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

What we do

Building control and facilitation (building consents)

Development control and facilitation (resource consents)

Earthquake risk mitigation – built environment

Our building and development control activities contribute towards us being:

People-centred: They promote built form and safe open spaces that welcome and engage people and encourage them to stay. They tell our stories and reflect who we are and the things we care about, helping us understand ourselves and each other.

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

Eco-city: They promote intensive development rather than sprawl into green spaces and encourage the greening of streets, buildings and places. They promote walking and riding on buses and bikes.

Dynamic Central City: They promote accessible and safe places where people want to live, work, and play, and where they can meet to share events and ideas. They encourage a built form and urban culture that reflects the energy of diversity the people, and they shape a place where ideas, innovation and difference can be expressed and supported.

New Zealand Historic Places Trust, Victoria University of Wellington and Wellington City Council partnered in a pilot project to model options available to building owners in the Cuba Precinct. This was very successful and we intend to build off the information gained.

Key projects

During the year:

- We passed our biannual review and retained our accreditation as a building control authority. The accreditation scheme was introduced by the Government to help ensure that buildings are built right first time. It focuses on strengthening the building process at the consent processing, inspection and approval stages. This change was brought about primarily in response to the nation-wide issue around leaky homes.
- We prepared for the implementation of a new tablet based mobile electronic system, Go-Get for our field inspectors that will enable us to provide better service to our customers and improve our internal processes. We implemented Go-Get into the Building Warrant of Fitness process and there has been an improvement in the building compliance which improves the safety of commercial buildings in our city.
- Quick Consents now allow us to process and send small simple building consents electronically.
- 69% of Land Information Memorandums (LIMs) were applied for online and over half of the total applicants are current owners preparing to sell properties.
- The application to demolish the heritage listed Harcourts building was declined by independent commissioners. This decision was appealed to the Environment Court. It is anticipated that the case will be heard on 19 August.
- We issued 714 resource consents. This compared with 705 in 2011/12 and 925 in 2009/10.

Earthquake risk mitigation

In conjunction with WREMO and GNS we undertook 26 Community and Business seminars, around communities and businesses to better inform them about earthquake risk and the need for personal preparedness. Over 1400 people attended these sessions and the feedback received was very positive.

- Strengthening work at Begonia House, Rugby League Park Stand, Colonial Cottage has been completed and the buildings are no longer earthquake prone.
- Wellington Rocks, an Earthquake Risk and Building Safety Expo was held in April. Over 1200 people attended the Expo with a further 600 attending the parallel seminar series.

What it costs

	Actual 2013	Budget 2013	Variance 2013	Actual 2012
Operating Expenditure (\$000)				
6.2.1 Building Control and Facilitation 1				
Expenditure	12,276	11,663	(613)	11,286
Revenue	(7,839)	(7,660)	179	(6,755)
Net Expenditure	4,437	4,003	(434)	4,531
6.2.2 Development Control and Facilitation				
Expenditure	5,300	6,033	733	5,373
Revenue	(2,368)	(3,005)	(637)	(2,487)
Net Expenditure	2,932	3,028	96	2,886
6.2.3 Earthquake risk mitigation - built environment 2				
Expenditure	355	1,022	667	422
Revenue	0	0	0	0
Net Expenditure	355	1,022	667	422
Capital Expenditure (\$000)				
6.2.3 Earthquake risk mitigation - built environment 3				
Expenditure	2,193	2,397	204	948
Unspent portion of budget to be carried forward	N/A	622		N/A

1 Over budget as a result of the one-off impact of restructuring costs.

2 Under budget due to expenditure occurring later than expected.

3 Under budget due to \$200k savings on Mayor Office relocation and delays on other projects due to resource constraints.

How we performed

We measure our effectiveness by monitoring the timeframes for providing services (such as the issuing of building consents and LIMs).

We aim to ensure any development is of high quality, and complies with the District Plan and resource consent conditions. To gauge our performance, we monitor the rates of customer satisfaction with the service we provide and our timely issue of contents and certificates.

We work to mitigate the potential impact of earthquakes to protect the safety of Wellingtonians. Progress is measured through the number of earthquake prone building assessments we have undertaken, and the proportion of notifications that are not challenged.

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

Building consents (%) issued within 20 working days

Result: 99.7% (target: 100%; 2011/12: 96%; 2010/11: 94%).

Source: WCC Building Consents and Licensing

Code Compliance Certificates (%) issued within 20 working days

Result: 97% (target: 100%; 2011/12: 98%; 2010/11: 99%).

Source: WCC Building Consents and Licensing

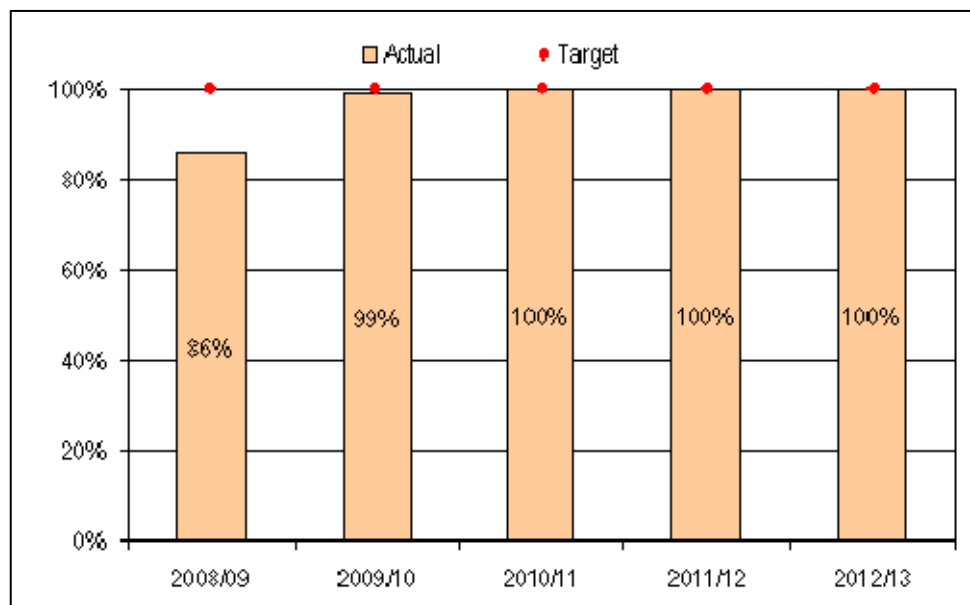
Land Information Memorandums (LIMs) (%) issued within 10 working days

Result: 100% (target: 100%; 2011/12: 100%; 2010/11: 100%).

There was a 21% increase in the number of LIMs issued from last year and the percentage of property sold in Wellington that had LIMs issued was 43% - an increase from 39% last year.

Source: WCC Building Consents and Licensing

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



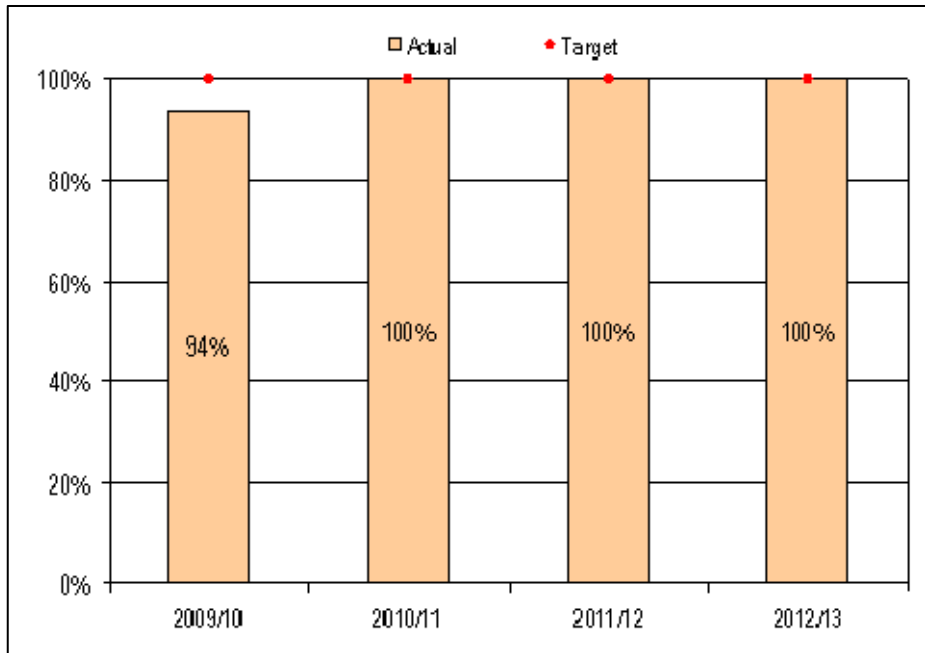
Source: WCC Development Planning and Compliance

Resource consents (%) that are monitored within 3 months of project commencement

Result: 99% (target: 90%; 2011/12: 91%; 2010/11: 90%).

Source: WCC Development Planning and Compliance

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



Source: WCC Development Planning and Compliance

Noise control (excessive noise) complaints (%) investigated within 1 hour

Result: 98% (target: 90%; 2011/12: 99%; 2010/11: 98%)

Source: WCC Development Planning and Compliance

Environmental complaints (%) investigated within 48 hours

Result: 98% (target: 98%; 2011/12: 99%; 2010/11: 98%).

Source: WCC Development Planning and Compliance

To measure the satisfaction of the services we provide

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

Result: 70% (target: 70%; 2011/12: 59%; 2010/11: 43%).⁷

Source: WCC Building Consents and Licensing Customer Experience Survey 2013

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

Result: 53% (target: 70%; 2011/12: 45%; 2010/11: 64%).

We have maintained our very high levels of performance regarding time frames. We have received positive feedback from applicants on our 'solution based and helpful approach'. In terms of compliance, we have had successful prosecutions and as a result have we received positive feedback regarding Council's willingness to maintain public confidence in our planning controls.

Source: WCC Development Control Services Customer Satisfaction Survey 2013

To measure the standard of the services we provide

Building Consent Authority (BCA) accreditation retention

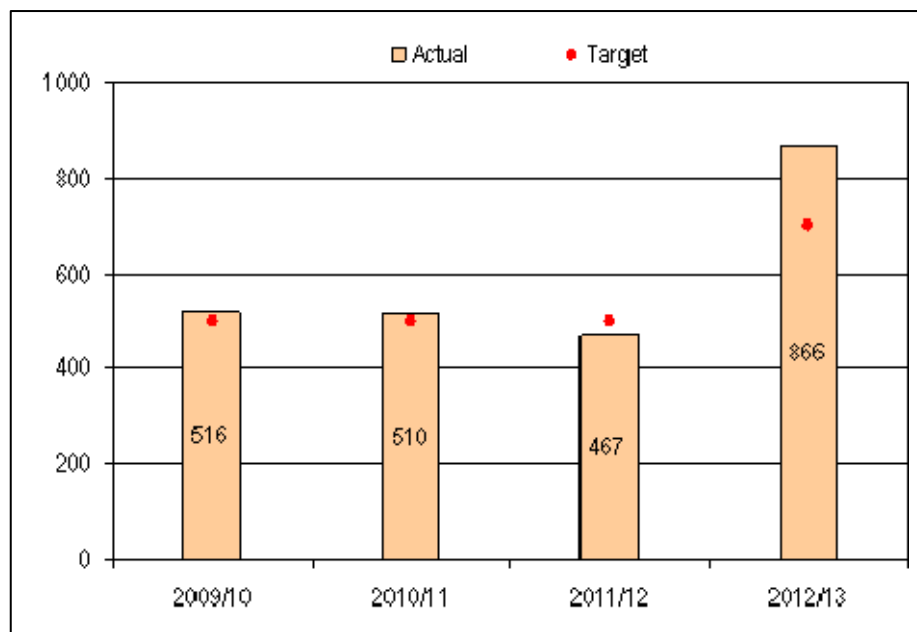
Result: Retained (target: to retain status; 2011/12: retained; 2010/11: retained).

Source: WCC Building Consents and Licensing

⁷ This year the method of assessment has changed to a 10 point scale evaluation using an online post-issue survey within a short time from issue. All answers are linked to a specific contact with the department, as opposed to a general overview over time. This now aligns with other methods of satisfaction research being undertaken throughout council both in scale and methodology. Next years results will be an overview of a full year's results gathered weekly, therefore using a much greater sampling size for increased accuracy.

To measure our progress on earthquake risk mitigation

Potentially earthquake-prone buildings assessed



We completed 866 assessments. This was more than the 700 assessments required in order for Council to achieve target of completing 85% of the total number of known buildings that require assessment.

Source: WCC Earthquake Resilience

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

Result: 100% - there were 326 notifications⁸ issued and none were challenged (target: 100%; 2011/12: 100%; 2010/11: 100%).

Source: WCC Earthquake Resilience

Earthquake strengthened Council buildings – programme achievement

Our earthquake risk mitigation work programme of assessing buildings of pre-1976 construction has seen a total of 4,239 buildings assessed since the beginning of the programme in mid-2009. 612 have been declared earthquake prone of which 134 are heritage, and 757 are left to assess. We expect to complete this programme of assessments in June 2014.

Strengthening work at Begonia House, Rugby League Park Stand, Colonial Cottage has been completed and the buildings are no longer earthquake prone. The unused toilets at Brooklyn Community centre have been demolished and the site reinstated.

⁸ The number of notifications is not likely to have a direct relationship to the current number of earthquake prone buildings as the list can fluctuate due to buildings being strengthened, demolished or owners supplying additional information to change earthquake prone status.

We are on target with our earthquake programme of strengthening Council owned buildings. Planning began for the construction on the Wellington Town Hall and on stage one of the Civic Administration Building. In addition we will strengthen Tawa and Brooklyn Library's, Thistle Hall, Truby King House and initial work on the Band Rotunda with Portico being demolished by the end of the year. Further investigative work will be undertaken on Opera House preparatory to a strengthening proposal being developed for the Long-term Plan.

Source: WCC Earthquake Resilience

To measure uptake of the Financial Assistance Package (FAP)

Weathertight houses – Financial Assistance Package (number of claims accepted and number of remediations claimed)

There were 49 claims accepted and 23 remediations claimed. There is no target for this measure.

Source: WCC Financial Planning

Transport – Waka

7.1 Transport

waka

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

What we do

Transport planning

Vehicle network

Pedestrian and cycle network

Passenger transport network

Network-wide control

Road safety

Car parking

Our transport activities contribute towards us being:

People-centred: They provide people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure, including walkways and bikeways.

Connected: They provide a fit-for-purpose transport network and accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade.

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

Dynamic Central City: They provide for easy and affordable movement to and around the central city, especially by walking. They link people with places, events and activities and with commerce, business and trade.

Wellington City Council has established a 'Wellington One Network' partnership with the NZTA for managing the transport network to create a joint approach within the combined jurisdiction.

Key projects

During the year:

- We continued to provide advice on the transport aspects of the proposed Memorial Park scheme and the Wellington Public Transport Spine Study through to its final shortlist evaluation phase.
- We completed a further stage of safety improvements on Willis Street including new paving and street furniture at the Bond Street intersection, and completed the last stages of the major upgrade of the intersection of Adelaide Rd, Riddiford and John Streets.
- We submitted a comprehensive funding application to NZTA for the implementation of major roading and traffic improvements for central Johnsonville, designed to both address existing traffic congestion and safety issues and also to facilitate the future expansion of the Johnsonville shopping centre.
- We completed 67 kilometres of road resurfacing, and renewed 25 kilometres of footpaths and 12 kilometres of kerb and channelling.
- The Karori Tunnel was earthquake strengthened including completion of a retaining wall on the Glenmore Street side and new, more effective and efficient LED lighting in the tunnel.
- We undertook condition assessments of 57 seawalls and 129 retaining walls. This resulted in building 16 new retaining walls and renewing 25 retaining walls.
- We provided project and site specific approvals covering 138 roads or part roads in the city to enable the roll out of ultra fast broadband.

Pedestrian and cycle network

- We installed approximately 40 'stop boxes' that give cyclists a safe haven while waiting for the traffic signals to change. In addition to the physical benefits these boxes also help to remind drivers about the presence and importance of cyclists sharing the road.
- Work progressed on the Tawa Valley pathway with a level crossing over the rail line between Tawa Pool and Tawa College opening in October 2012.
- We replaced or repaired 151 bus stop signs and undertook repairs to 71 bus shelters across the city as well as installing seven new bus shelters.
- We held a forum to share with cyclists our plans going forward and provide an opportunity for cyclists to provide feedback through a workshop session. This forum had over 200 attendees and provided valuable insight for future investment.

Road safety community programmes

To assist in the planning and delivery of our road safety community programmes we engage with the Council's Safe and Sustainable Reference Group. This group is made up of the members of the road safety action plan group (NZTA, NZ Police, Accident Compensation Corporation and Greater Wellington Regional Council) and members from the Automobile Association, BRONZ, Regional Public Health, Cycle Aware wellington, Living Streets Aotearoa as well as representatives of the Councils Accessibility Advisory Group and Youth Council.

Road safety

- Pedestrian safety featured highly throughout the year with a new controlled crossing point established at the intersection of Jervois Quay with Wakefield and Taranaki streets, in Willis Street by Chews Lane, and on Courtenay Place by Allen and Blair streets. These crossing points also improve the effectiveness of the bus lanes with improved traffic flows.
- We introduced a Kea Crossing at Karori Normal School, which increases the level of warning devices for motorists before and after school hours around the crossing area.

We are working with schools to foster engineered solutions to support road safety education programmes. During the year 25 schools have committed to working with the Council to improve road safety for school children with an additional four schools showing an interest in a more formal commitment.

- A new railway crossing point at Tawa has increased the level of safety for both cyclists and pedestrians that cross a busy section of railway. Cyclist and pedestrian safety has also been improved in Houghton Bay with the completion of a new roundabout and parking area.
- We continued the rollout of safer speed areas through our suburban centres.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
7.1.1 Transport Planning 1				
Expenditure	400	567	167	871
Revenue	(70)	(96)	(26)	(192)
Net Expenditure	330	471	141	679
7.1.2 Vehicle network 2				
Expenditure	20,784	21,234	450	19,694
Revenue	(4,967)	(1,120)	3,847	(1,284)
Net Expenditure	15,817	20,114	4,297	18,410
7.1.3 Cycle network				
Expenditure	313	309	(4)	135
Revenue	(18)	(3)	15	(1)
Net Expenditure	295	306	11	134

7.1.4 Passenger transport network 3				
Expenditure	1,309	1,563	254	1,397
Revenue	(974)	(1,040)	(66)	(984)
Net Expenditure	335	523	188	413
7.1.5 Pedestrian network 4				
Expenditure	6,032	6,125	93	5,760
Revenue	(139)	(38)	101	(34)
Net Expenditure	5,893	6,087	194	5,726
7.1.6 Network-wide control and management 5				
Expenditure	5,763	6,232	469	5,903
Revenue	(1,545)	(1,869)	(324)	(1,748)
Net Expenditure	4,218	4,363	145	4,155
7.1.7 Road safety				
Expenditure	5,410	5,673	263	5,391
Revenue	(1,245)	(1,570)	(325)	(1,548)
Net Expenditure	4,165	4,103	(62)	3,843
	Actual	Budget	Variance	Actual
Capital Expenditure (\$000)	2013	2013	2013	2012
7.1.2 Vehicle network 6				
Expenditure	27,675	26,863	(813)	24,459
Unspent portion of budget to be carried forward	N/A	1,465		N/A
7.1.3 Cycle network 7				
Expenditure	1,353	1,353	0	1,127
Unspent portion of budget to be carried forward	N/A	190		N/A
7.1.4 Passenger transport network				
Expenditure	1,033	1,013	(20)	558
Unspent portion of budget to be carried forward	N/A	0		N/A
7.1.5 Pedestrian network 8				
Expenditure	4,674	4,811	137	4,940
Unspent portion of budget to be carried forward	N/A	0		N/A
7.1.6 Network-wide control and management				
Expenditure	2,529	2,519	(10)	2,324
Unspent portion of budget to be carried forward	N/A	0		N/A
7.1.7 Road safety				
Expenditure	2,542	2,517	(24)	2,542
Unspent portion of budget to be carried forward	N/A	0		N/A

1 Under budget due to lower labour costs.

2 Under budget due to the recognition of unbudgeted vested asset income.

3 Under budget due to lower reactive maintenance, cleaning requirement and lower interest costs.

4 Under budget due to the recognition of unbudgeted vested asset income and lower depreciation costs.

5 Under budget due to lower labour and depreciation costs than budgeted.

6 Under budget due to delays in the purchasing process in relation to Aotea Quay land acquisition, as well as delays in the Karori Road wall replacement as a result of additional consultation with the public on artistic features. The Westchester Drive project came in over budget as a result of time delays and costs relating to structural variations requirements.

7 Under budget due to delays in the Tawa cycleway upgrade project, as a result of negotiations with KiwiRail in relation to access to complete the Linden Park bridge taking longer than anticipated.

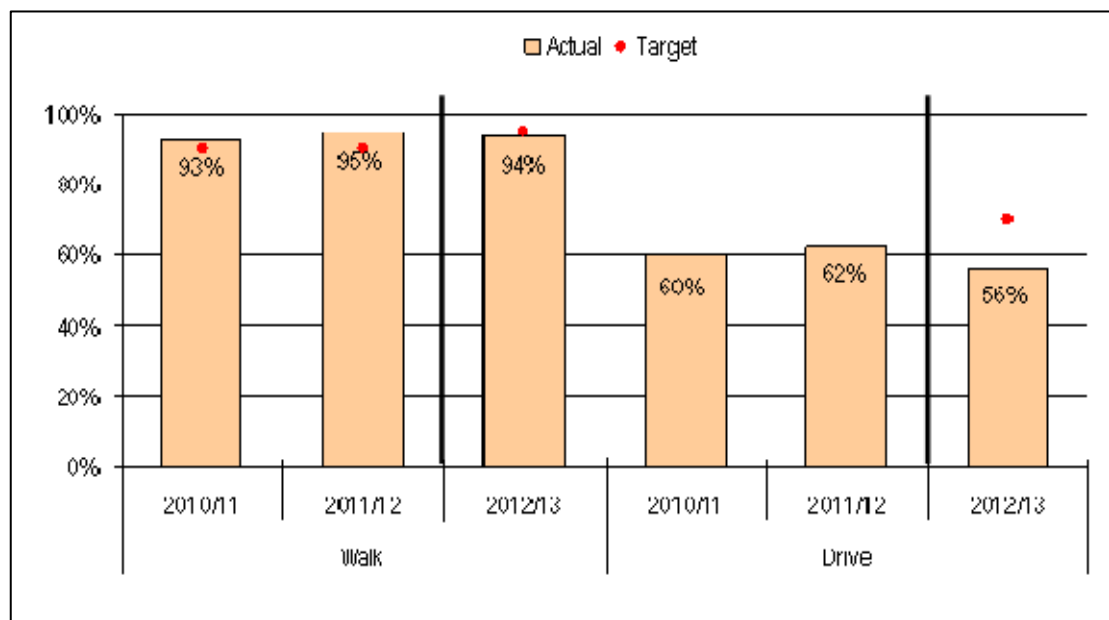
8 Under budget due to lower labour costs requirements than budgeted.

How we performed

We want to ensure Wellington’s transport network is sustainable, safe and efficient. We assess efficiency and sustainability by measuring the proportion of residents who walk, cycle or use buses for transport; and by measuring resident satisfaction with the city as a place to move around on foot and in cars. We also assess performance by recording the rate of road casualties occurring and by measuring: residents’ satisfaction with our transport infrastructure/services, performance against international standards, service provision, and asset condition and peak travel times.

To measure the efficient movement of people and goods

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



Source: WCC Residents’ Monitoring Survey 2013

Peak travel times between CBD and suburbs

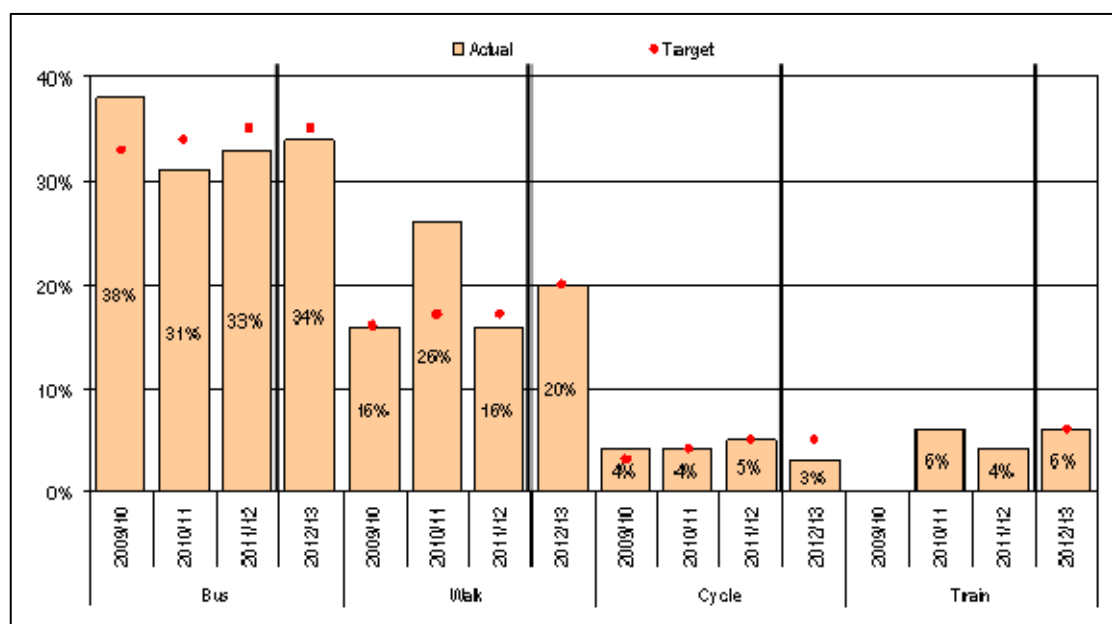
Location	Peak travel time range (minutes)					
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Miramar	7.5-24.5	8.0-28.0	8.5-19.0	9.0-19.0	8.0-20.0	10.0-15.0
Karori	9.0-22.0	8.5-22.0	8.0-23.0	8.0-20.0	8.5-27.0	9.0-24.0
Island Bay	7.5-14.5	8.0-16.5	8.0-16.5	8.0-16.0	7.0-14.0	8.0-21.0
Johnsonville	7.0-16.0	7.0-21.0	6.5-22.0	7.0-24.0	7.0-28.0	7.0-26.0

Target is to maintain or improve on these times.

Source: WCC Infrastructure

To measure the movement towards more sustainable transport options

Mode of transport into the central city (weekdays)



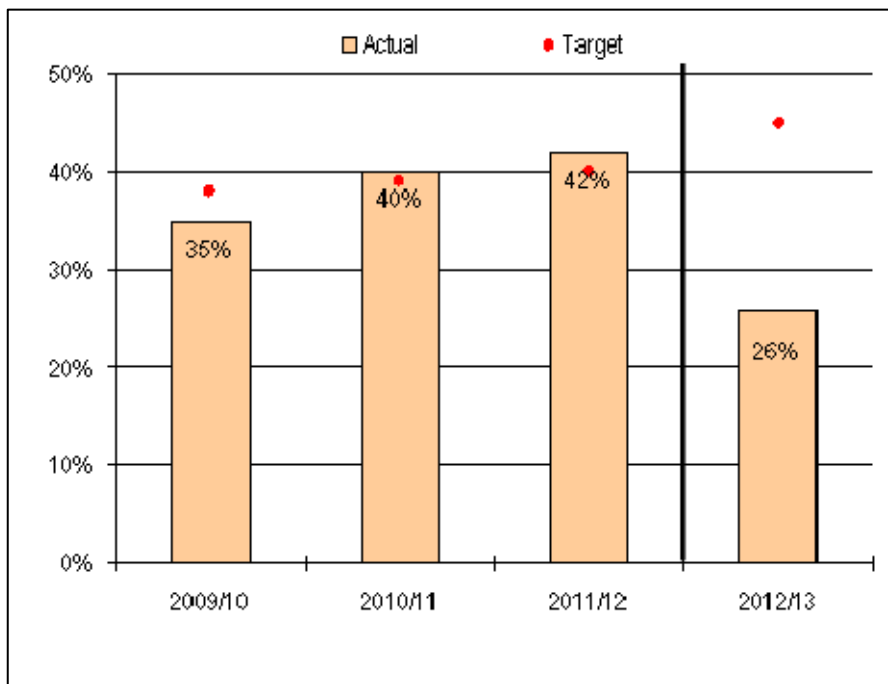
Source: WCC Residents' Monitoring Survey 2013

Cyclists and pedestrians entering the CBD weekdays

Result: 862 cyclists (target: 864); 5,480 pedestrians (target: 5,237).

Source: WCC Infrastructure

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



Source: WCC Residents' Monitoring Survey 2013

There is no known explanation for this drop in result beyond the potential impact from the change in survey methodology and the timing of the survey (June of this year as opposed to January and May in previous years). In terms of the change in methodology, there is a documented tendency for people to respond more positively to some questions when they are asked by a person on the telephone, as opposed to completing a survey online. In some cases, it has been shown that people respond more favourably over the phone when answering questions about something which is considered socially desirable, such as 'children walking to school'. This may account for some of the shift in the result reported here. Given the potential impact of the change in methodology on some results, we will be reviewing our performance targets in some areas.

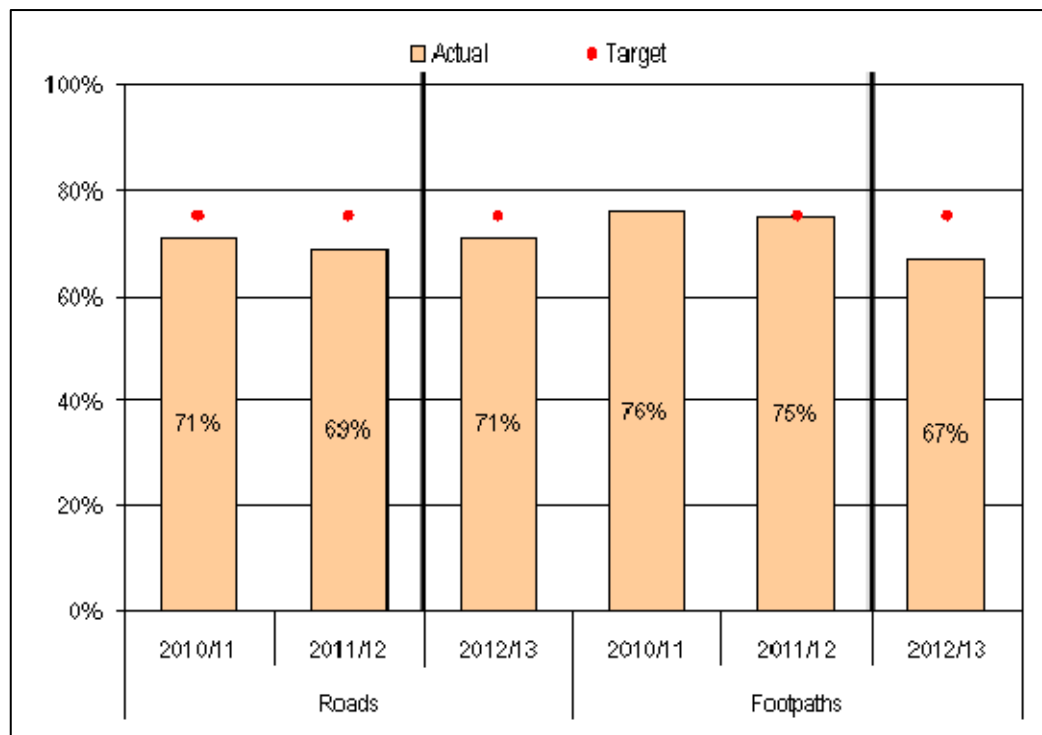
Cable car passenger numbers

Result 1,060,458 passengers (target: 1,073,700); 2011/12: 1,067,634.

Source: Wellington Cable Car Ltd

To measure the standard of the transport infrastructure and service

Residents' (%) condition rating of the network – roads and footpaths (good and very good)



Source: WCC Residents' Monitoring Survey 2013

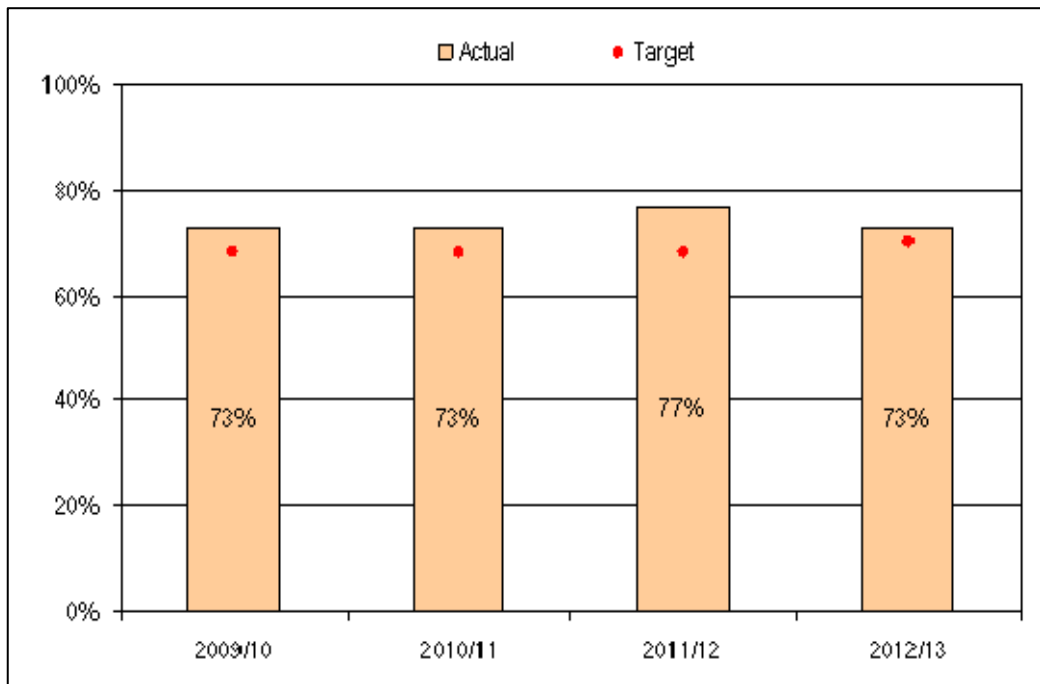
Requests for service

Result: we responded to 97% of urgent requests for service within two hours (target: 100%); 2011.12: 97%; 2010/11: 100%) and 96% of non-urgent request for service within 15 days (target: 100%; 2011/12: 97%; 2010/11: 100%).

During the year we had approximately 22,000 requests for service across the roading and transport network. These requests are prioritised according to the risk to the public or property with urgent tasks responded to within two hours.

During the year we processed approximately 550 requests relating to footpath and access way maintenance and some 220 requests for maintenance to kerb and channel assets – all of which were responded to within 15 working days.

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



Road smoothness is assessed using criteria from the National Association of Australian State Road Authorities (NAASRA). The above figures include smoothness ratings for both rural and urban roads within Wellington City.

Source: WCC Infrastructure

Footpath condition rating - % compliant with WCC standards

Result: 92% (target: 97%; 2011/12: 97%; 2010/11: 97%)

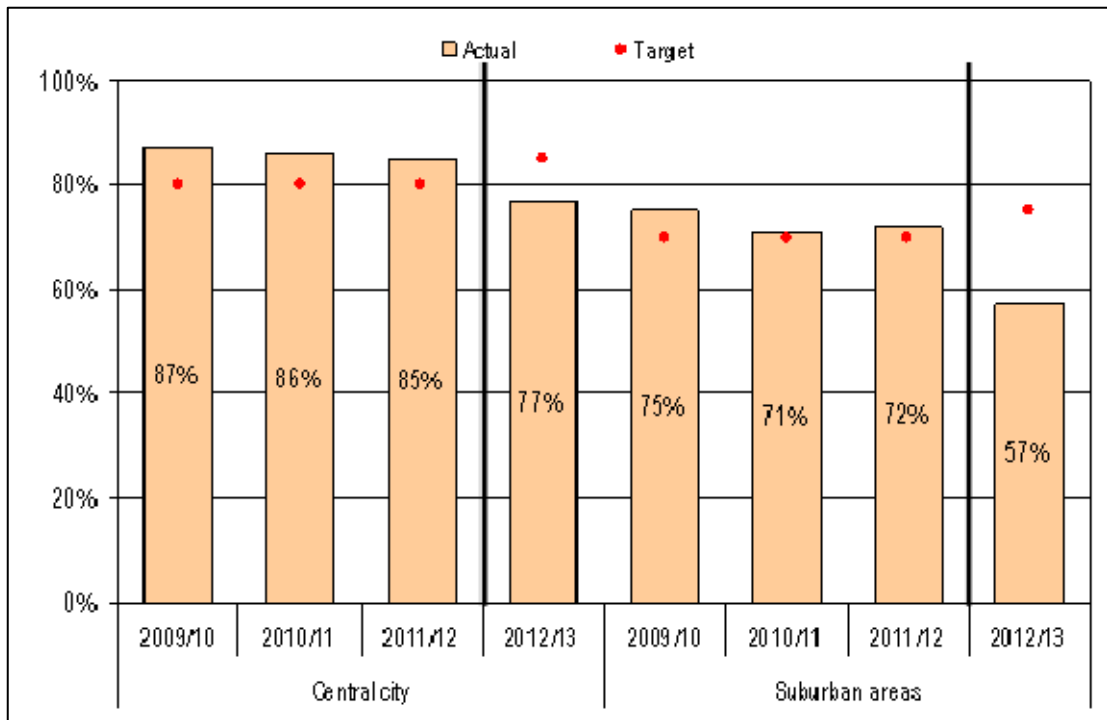
Source: WCC Infrastructure

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

Result: 93% of lights comply (target: 100%; 2011/12: 94%; 2010/11: 93%).

Source: WCC Infrastructure

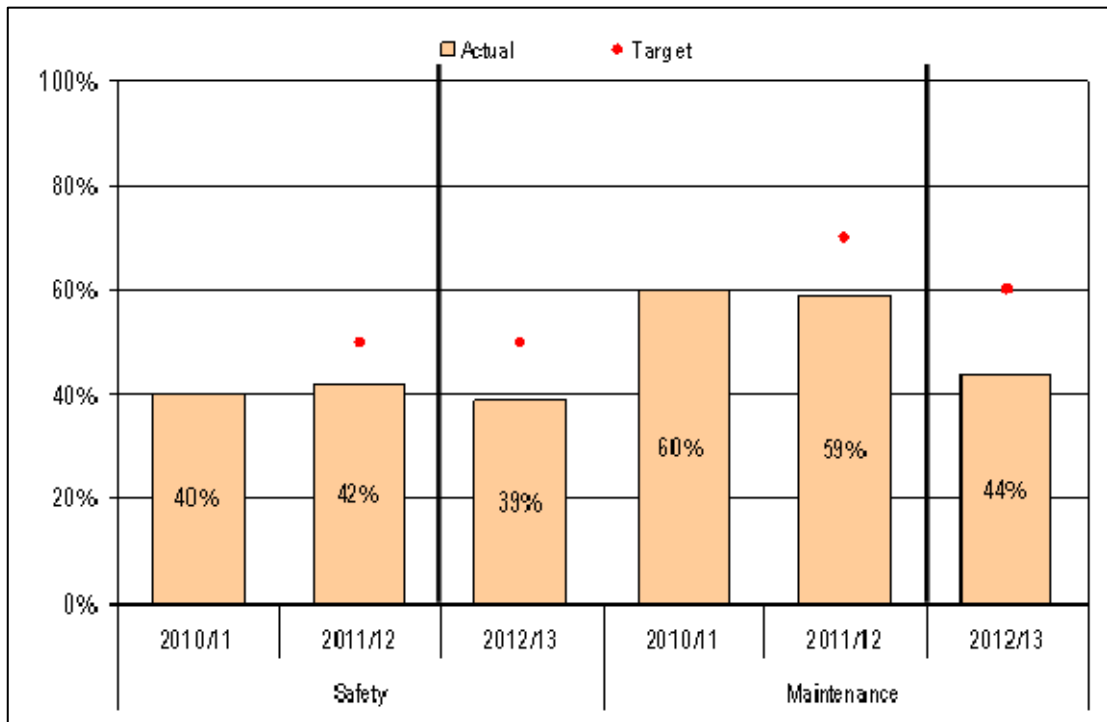
Residents' (%) satisfaction with street lighting in the central city and suburban areas



Analysis of the survey results will be undertaken to assess why there was such a drop in satisfaction. By grouping respondents' by location we will assess if there have been any significant outages or faults in that could attribute to this drop in satisfaction.

Source: WCC Residents' Monitoring Survey 2013

User satisfaction (%) with the safety and maintenance of cycle ways



Source: WCC Residents' Monitoring Survey 2013

Our target for satisfaction with cycle way maintenance was reduced slightly in the 2012-22 Long-term Plan to reflect the 2011 baseline result of 60%.

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

Result: 65% of residents agree that Council transport network provides good value for money (target: 75%; 2011/12: 66%; 2010/11: 70%)

Source: WCC Residents' Monitoring Survey 2013

Sea wall and retaining wall condition rating – walls (%) rated 3 or better (1 very good, 5 very bad)

Result: 91% of walls are rated '3' or better – '1' being very good and '5' very bad (target: 90%; 2011/12: 95%).

Source: WCC Infrastructure

Quarry

Result: achieved (target: to meet legislative compliance)

Source: WCC Infrastructure

To measure progress towards increasing transport safety

Road casualties (per 10,000 population):

Targets: Maintain or reduce

	2009/10	2010/11	2011/12	2012/13
Vehicles	55.6	47.2	29.2	26.3
Pedestrians	3.3	3.7	3.7	3.3
Cyclists	3.4	3.3	2.3	3.3

Note: results are based on road casualties on WCC roads – not the region. Next year the data will focus on the number of crashes rather than the number of casualties resulting from a singular crash.

Source: NZ Transport Agency

7.2 Parking

Ratonga tūnga waka

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

What we do

Parking

Our parking activities contribute towards us being:

People-centred: Through short term parking they promote convenience for people choosing to travel by car to shop, visit or do business. Through long term parking they provide convenience for people choosing to travel by car for work or extended business or leisure in the city.

Connected: They allow people choosing to travel by car to connect with people and places in the central city for businesses, work or leisure.

Dynamic Central City: By encouraging people to travel into the central city, they enhance its vibrancy and promote retail and other business activity.

Key projects

- We introduced ‘taxi restricted parking areas’ on Mercer Street, Featherston Street, Lambton Quay, Waring Taylor Street and The Terrace in response to public concern over taxis monopolising public parking spaces in the vicinity of heavily used taxi stands.
- We added Snapper as a payment option on 600 pay and display machines covering 3,000 parks in the Central Business District.

What it costs

Operating Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
7.2.1 Parking 1				
Expenditure	10,702	12,034	1,332	10,679
Revenue	(25,427)	(27,664)	(2,237)	(25,629)
Net Expenditure	(14,725)	(15,630)	(905)	(14,950)
Capital Expenditure (\$000)	Actual 2013	Budget 2013	Variance 2013	Actual 2012
7.2.1 Parking				
Expenditure	(3)	0	3	2,357
Unspent portion of budget to be carried forward	N/A	0		N/A

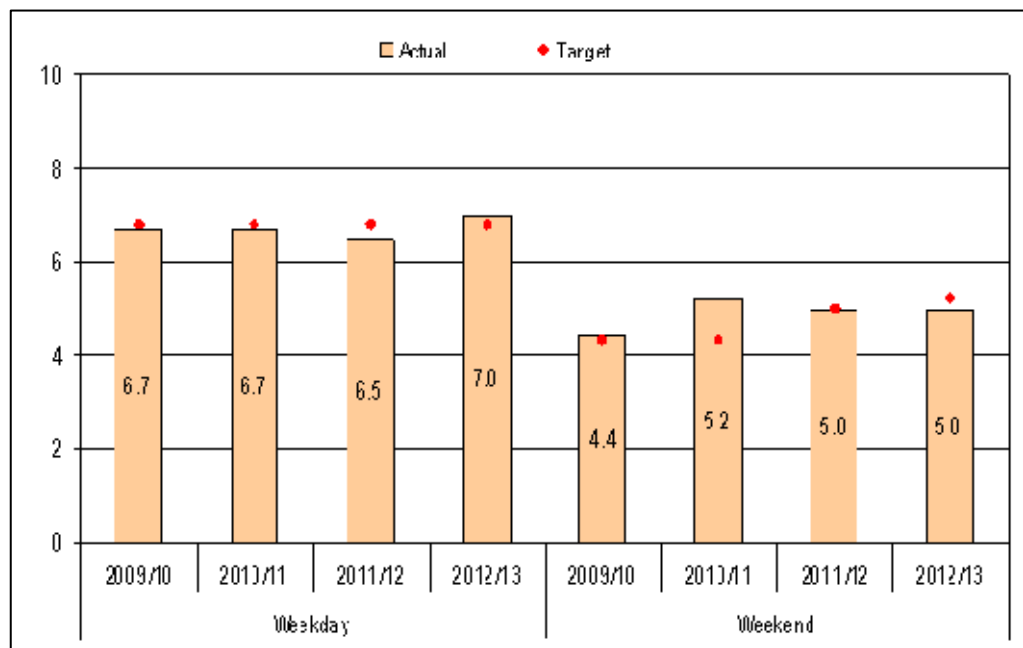
1 Over budget due to reduced revenue from parking enforcement.

How we performed

To ensure people can access the central city and its amenities, we provide convenient on-street parking throughout the central city. We monitor this by measuring daily parking turnover rates and compliance with parking regulations.

To measure the standard of the provision of parking

On-street car park turn-over rates – weekdays and weekends



Source: WCC Infrastructure

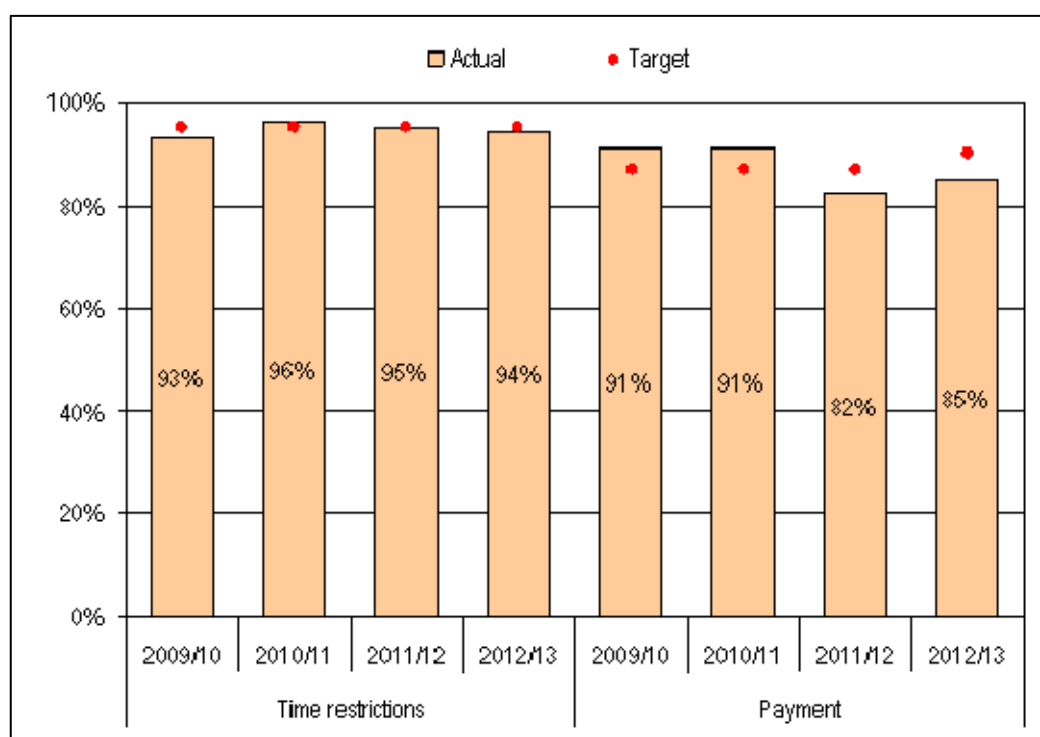
On-street car park average occupancy (%)

Result: Overall occupancy 75% (target: 75%; 2011/12: 65%; 2010/11: 76%)

Zone	Weekday occupancy	Weekend occupancy
Cable / Civic	64%	94%
Cuba / Tory / Courtenay	67%	81%
Lambton / Terrace / Aitken	81%	82%

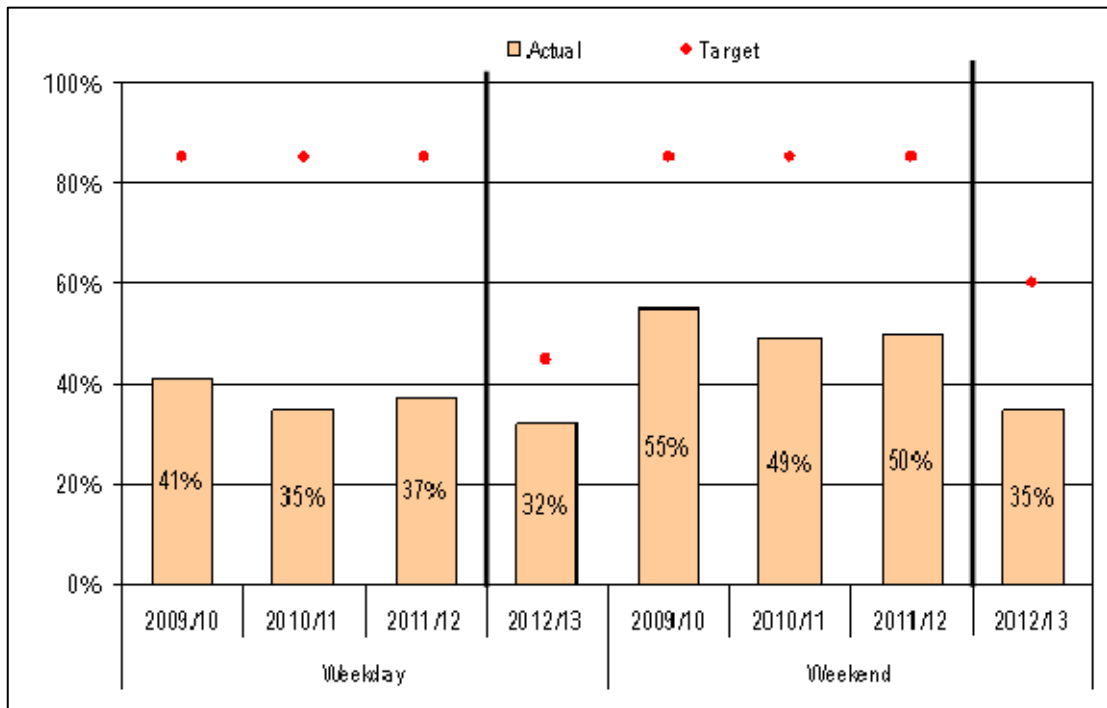
Source: WCC Infrastructure

On-street car park compliance – time restrictions and payment



Source: WCC Infrastructure

Residents' satisfaction with the availability of on-street car parking



Source: WCC Residents' Monitoring Survey 2013

There is no explanation other than a change in the methodology to why satisfaction with parking availability in the weekends has dropped substantially. The parking meter fleet has been updated with more payment options, and time restrictions are now enforced on Sundays resulting in increased turnover of parking spaces.

Residents' perceptions (%) that parking enforcement is fair

Result: 33% of residents believe that parking enforcement is fair (target: this is a new measure so there is no target. Next year the target will be to increase on this year's result).

Source: WCC Residents' Monitoring Survey 2013

Financial Sections

Financial Overview

Net Surplus¹

The net surplus is the difference between the expenses the Council incurred during the year and the income the Council received. It is represented by the following formula:

$$\text{Net Surplus} = \text{Total income} - \text{Total expenses}$$

The Council recorded a net surplus of \$28.2 million. The budgeted net surplus was \$37.4 million. The net surplus for the year was \$9.2 million less than budgeted.

The net surplus for the year includes income that was received to pay for capital projects such as funding from NZTA for roading projects and Housing New Zealand for the upgrades to our social housing. As the cost for capital projects is not recorded in the Statement of Comprehensive Financial Performance the Council budgets to generate a surplus.

Total Comprehensive Income

Total comprehensive income of \$42.1 million represents the net surplus of \$28.2 million adjusted for fair value movements of some of our assets including plant and equipment and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect changing fair value of assets the Council owns.

Budgeted net surplus

The majority of the budgeted net surplus of \$37.4 million is due to funding received from the Crown to fund capital expenditure projects.

Difference between budgeted and actual net surplus²

	\$000
Budgeted Net Surplus	37,426
Value of assets vested to Council	10,519
These are assets transferred between the Council and an external party and are recognised as revenue or expense accordingly. The majority are infrastructural assets that have been constructed by developers and transferred to the Council on completion.	
Net fair value gain/(loss)	5,683

¹ Annual Report, Statement of Comprehensive Financial Performance, page **XX**

² Annual Report, Notes to the financial statements, Note 33: Major Budget Variations, page **XX**

These amounts reflect changes in the fair value of our investment properties, loans to related parties and interest rate swaps. These movements are non-cash in nature.

Net surplus/(deficit) from Wellington Waterfront and Venues Projects and joint ventures	(6,764)
The financial performance (deficit) of these entities is not included in the budget. (Excludes fair value movements and gains or losses on the disposal of assets shown separately)	
Changes to External Funding for Capital Expenditure	(6,675)
This income is received for specific capital projects and cannot be used to fund operating expenditure.	
Net gain/(loss) on disposal of fixed assets	(1,127)
Council does not budget for gains or losses on the disposal of assets	
Other changes	548
Certain depreciation charges are not funded through rates as they are either fully or partly funded by external parties	
Ringfenced surpluses/(deficits)	1,872
Surpluses and deficits from our housing and waste activities are ringfenced. Deficits are not rates funded.	
Underlying funding surplus/(deficit)	(13,295)
Further breakdown on next page	
Actual Net Surplus	28,187

Underlying funding surplus/(deficit)

Underlying net surplus/deficit is the portion of the overall net surplus/(deficit) that has arisen from changes to operating income and operational expenditure as compared to budget. The underlying funding surplus/(deficit) is an important measure of the overall financial performance of the Council during the year.

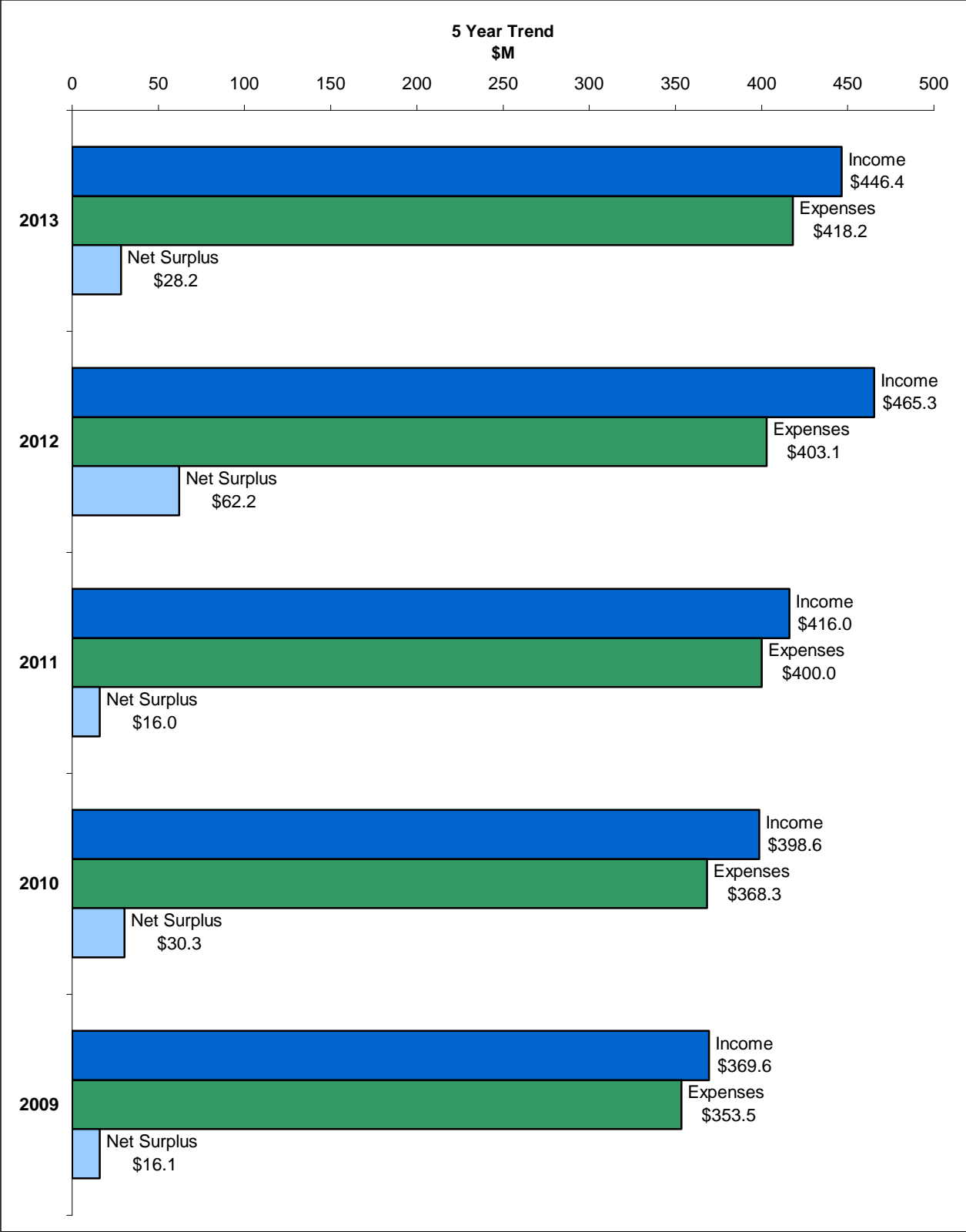
The Council has recorded an underlying funding deficit in the current year of \$13.3 million. This has arisen because the Council recorded expenditure relating to a reassessment of the provision for weathertight homes which has been partially offset by net savings in operational expenditure.

	\$000
Unbudgeted net revenue/(expenditure)	
Restatement of weathertight homes provision	(14,965)
Provision for storm costs	(855)
Insurance costs (net of recoveries) funded through self insurance reserve	(451)

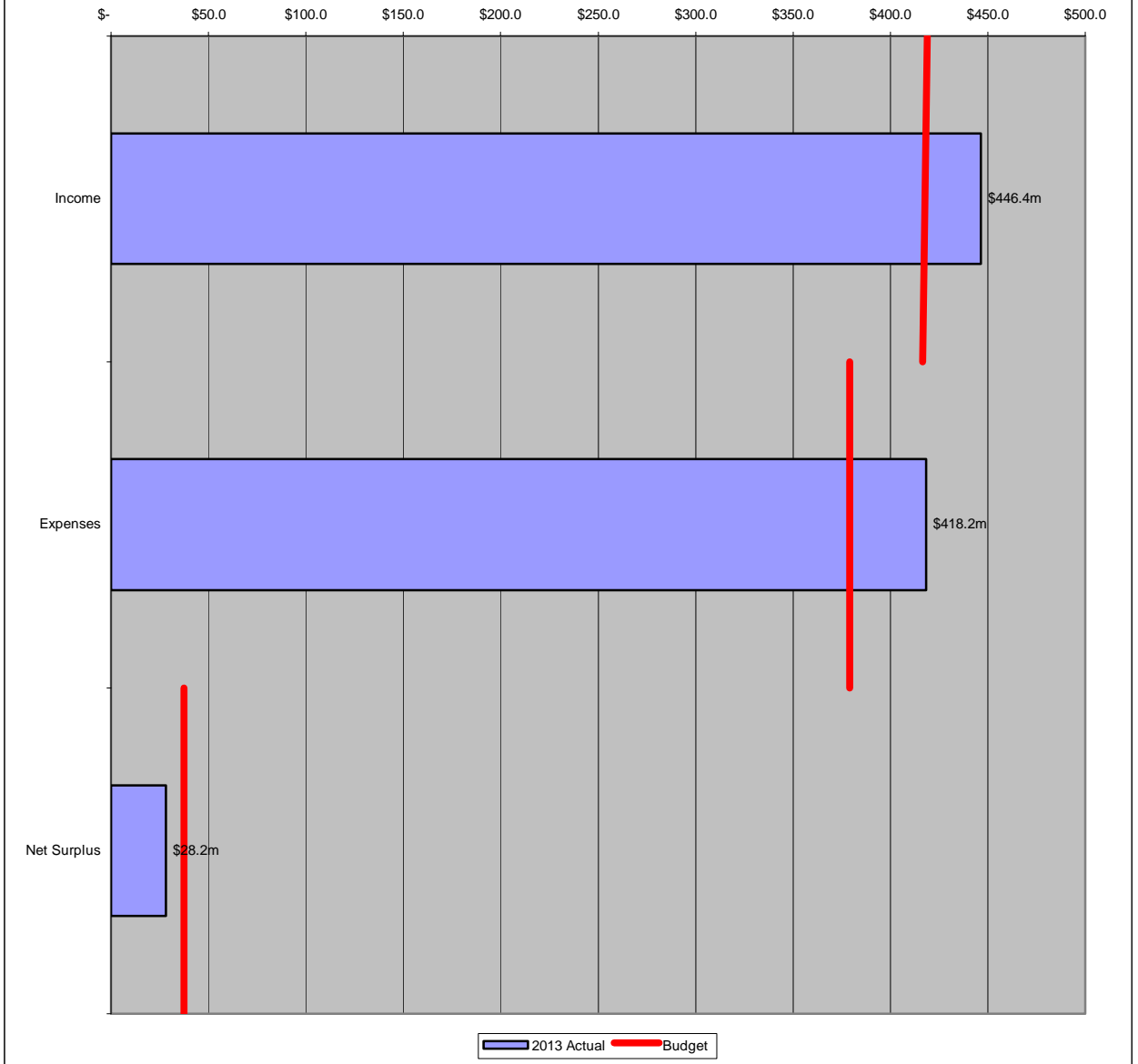
Significant changes in net revenue/(expenditure)	
Dividends in excess of budget (including Wellington Intl Airport Ltd)	1,624
Decrease in income from activities	(3,276)
Decrease in depreciation	2,820
Decrease in rates revenue	(2,228)
Decrease in net interest expense	1,997
Other net variances	2,039
Total underlying funding deficit	(13,295)

The movement in the weathertight homes provision is separately funded through a combination of rates and borrowings so is added back to calculate the underlying surplus available for use. The Council has already agreed to use \$3 million of the 2012/13 surplus to fund the Wellington Economic Initiatives Development Fund and therefore has an underlying funding surplus to carry forward of \$10.5 million.

	\$000
Opening underlying funding surplus from previous years	1,940
<i>Items separately rates funded in prior year</i>	
Movement in Weathertight Homes Provision	9,903
Underlying surplus carried forward from previous years	11,843
<i>Movement in underlying funding deficit from this years result</i>	
	(13,295)
<i>Items separately rates funded</i>	
Movement in Weathertight Homes Provision	14,965
Adjusted available underlying surplus	13,513
<i>Transfer to reserves</i>	
Funding Wellington Economic Initiatives Development Fund	(3,000)
Remaining underlying funding surplus to carry forward	10,513



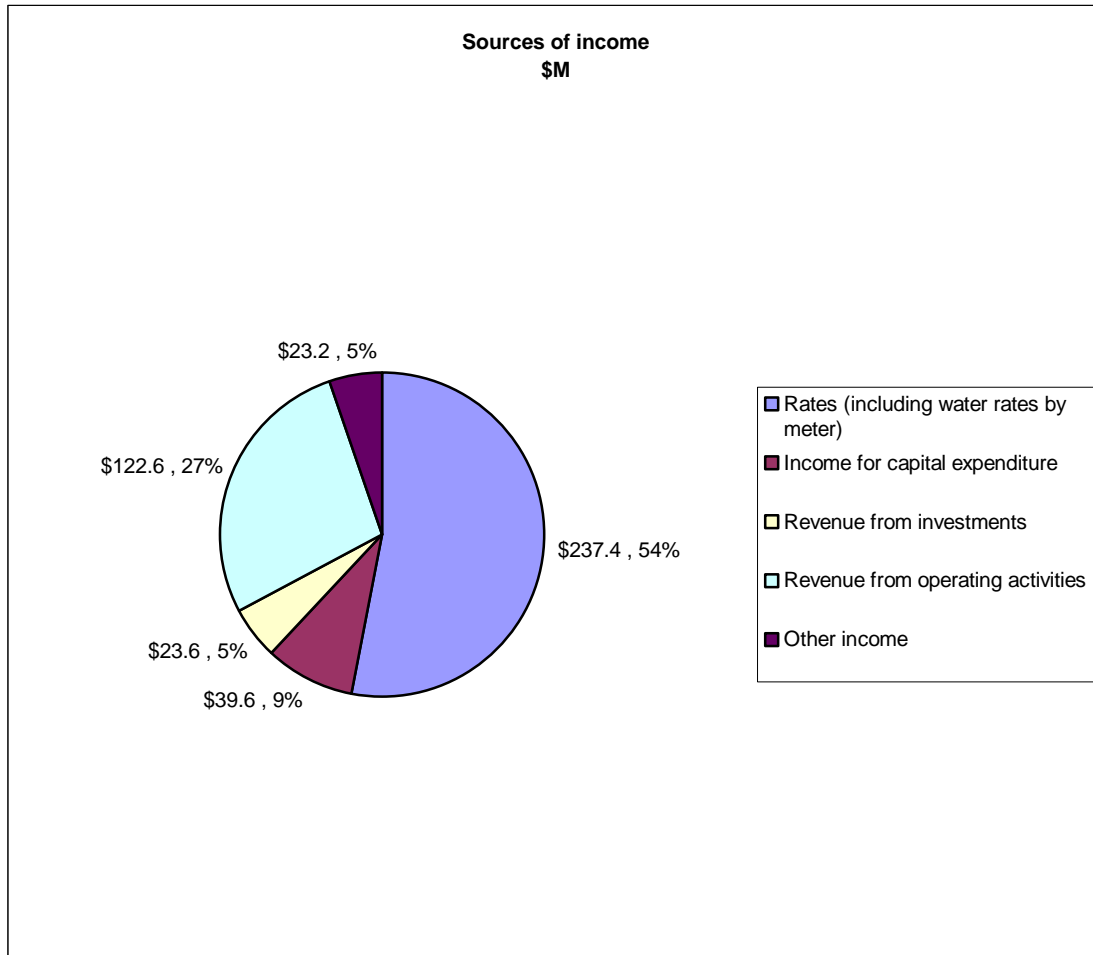
2013 Results compared with Annual Plan
\$M



Financial Performance

Income³

The Council received total income of \$446.4 million during the year.

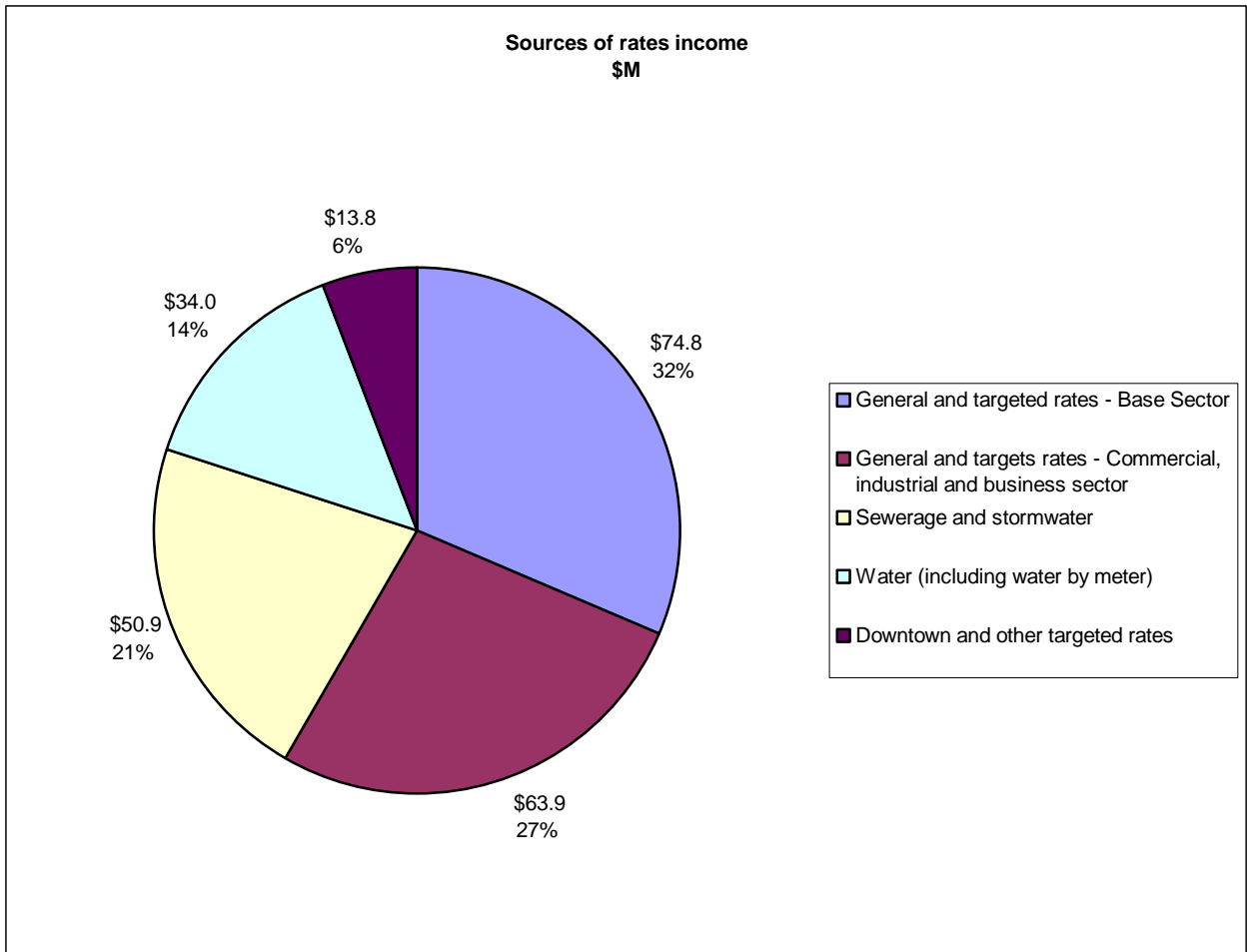


Rates are the main source of funding for the Council with revenue from operating activities, which includes user fees, being the next largest source. Other sources of income for the Council include income for capital expenditure, income from interest and dividends.

We received \$237.4 million of income from rates⁴. Rates income comes from a number of sources including general rates levied on properties and a range of targeted rates including stormwater and sewerage rates.

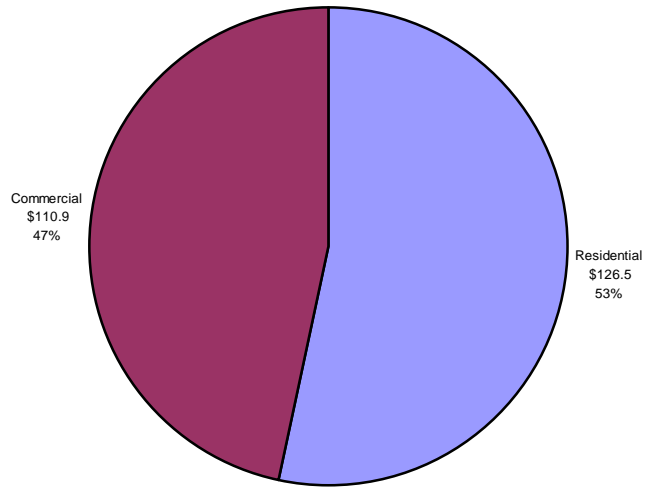
³ Annual Report, Statement of Comprehensive Financial Performance, page **XX**

⁴ Annual Report, Notes to the financial statements, Note 1: Revenue from rates, page **XX**

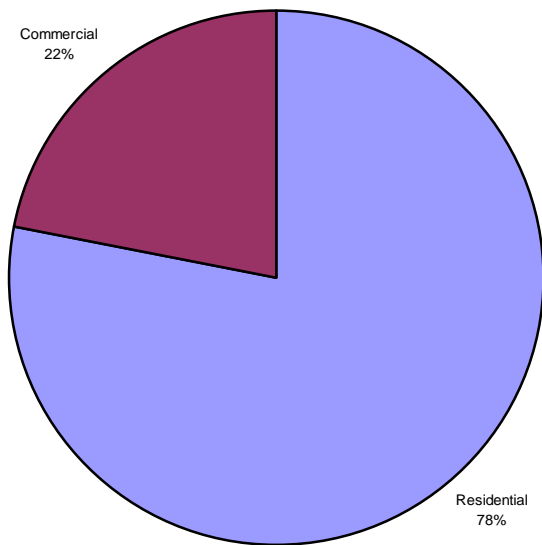


General rates revenue is collected based on property rateable values. Currently commercial properties pay rates at a higher level on their rateable value than non-commercial properties. This is called the rates differential. The rates differential during the year is shown in the graph below. Currently the ratio is 1:2.8.

Rates collected from commercial and residential ratepayers
\$M

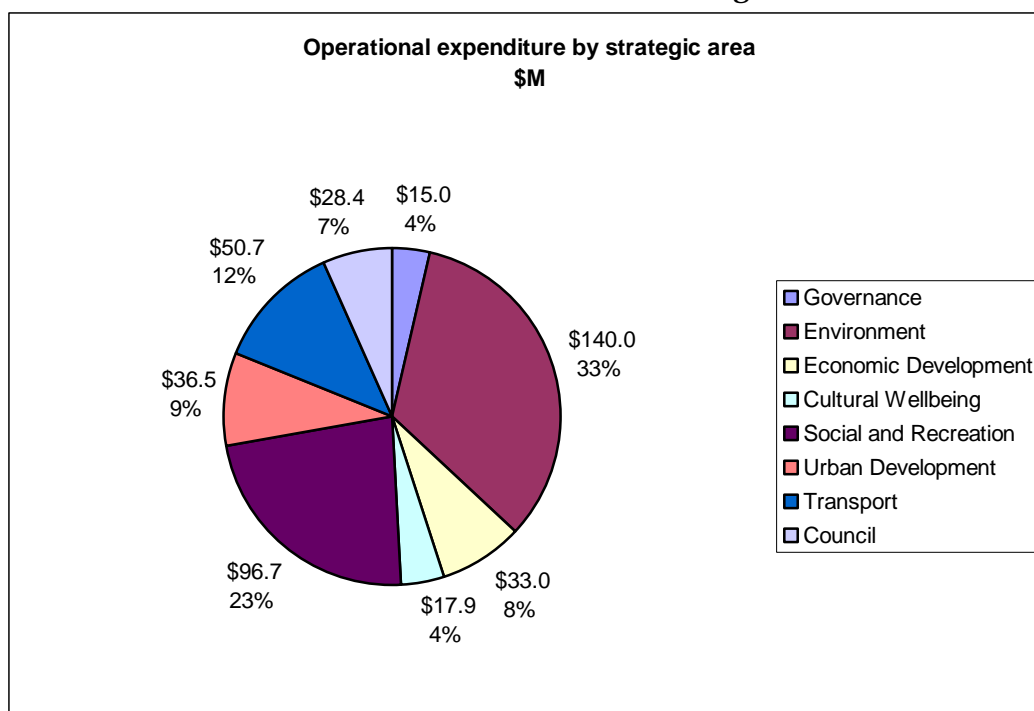


Proportion of commercial and residential rateable values
%



Expenses⁵

The total expenses incurred by the Council during the year were \$418.2 million which represents the cost of running the city during the year. The activities of the Council are divided into seven strategic areas of focus:



The table below shows the cost per Wellington resident⁶ per day for each strategic area.

Cost per strategic area per resident per day

Strategic area	Total cost \$M	Cost per resident per year \$	Cost per resident per day \$
Governance	15.0	75	0.20
Environment	140.0	700	1.93
Economic Development	33.0	165	0.45
Cultural Wellbeing	17.9	90	0.25
Social and Recreation	96.7	483	1.32
Urban Development	36.5	182	0.50
Transport	50.7	253	0.70
Council	28.4	142	0.39
	<u>418.2</u>	<u>\$2,090</u>	<u>\$5.74</u>

⁵ Annual Report, Statement of Comprehensive Financial Performance, page **XX**

⁶ Estimated city population to be 200,100 by Statistics New Zealand

Deciding who pays

When we're deciding how to fund an activity (whether to use rates, user charges, or other sources of income), we consider:

- **community outcomes** that the activity contributes to;
- **who benefits** – individuals, identifiable parts of the community, or the community as a whole;
- the **timeframe** in which the benefit occurs – for example, an asset that lasts for several generations will generally be funded through borrowing and depreciation so that everyone who benefits, present and future, contributes.

Our Revenue and Financing Policy sets out how each Council activity will be funded, based on these criteria. The policy is available on our website www.Wellington.govt.nz.

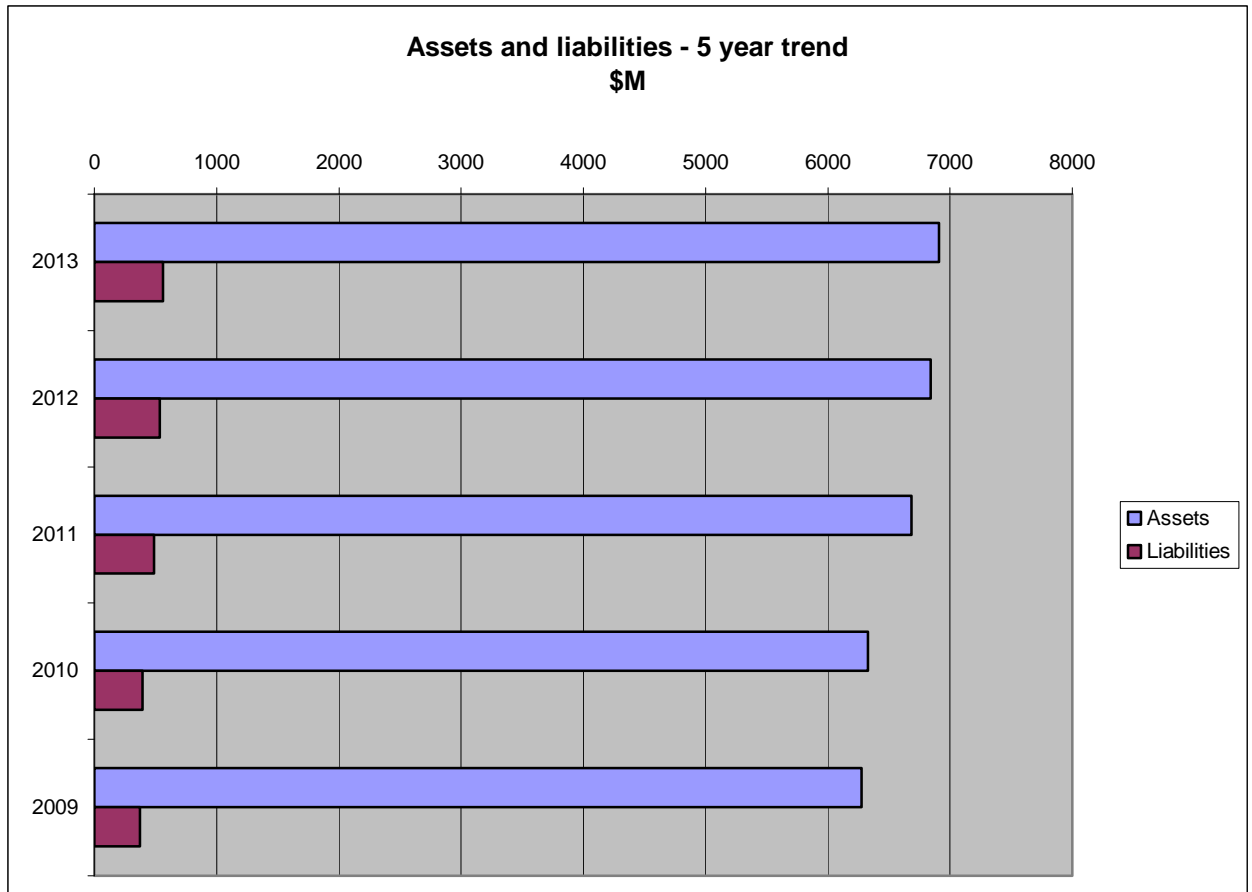
*Financial Position*⁷

Net worth is the difference between the total assets and the total liabilities of the Council. Net worth is represented in the financial statements by the balance of equity.

The net worth of the Council at the end of the year was \$6,348.4 million, an increase of \$42.1 million from the previous year. The main reasons for the increase were the net surplus generated for the year and the fair value movement in our cash flow hedges.⁸

⁷ Annual Report, Statement of Financial Position, page **XX**

⁸ Annual Report, Notes to the financial statements, Note 25 Revaluations, page **XX**

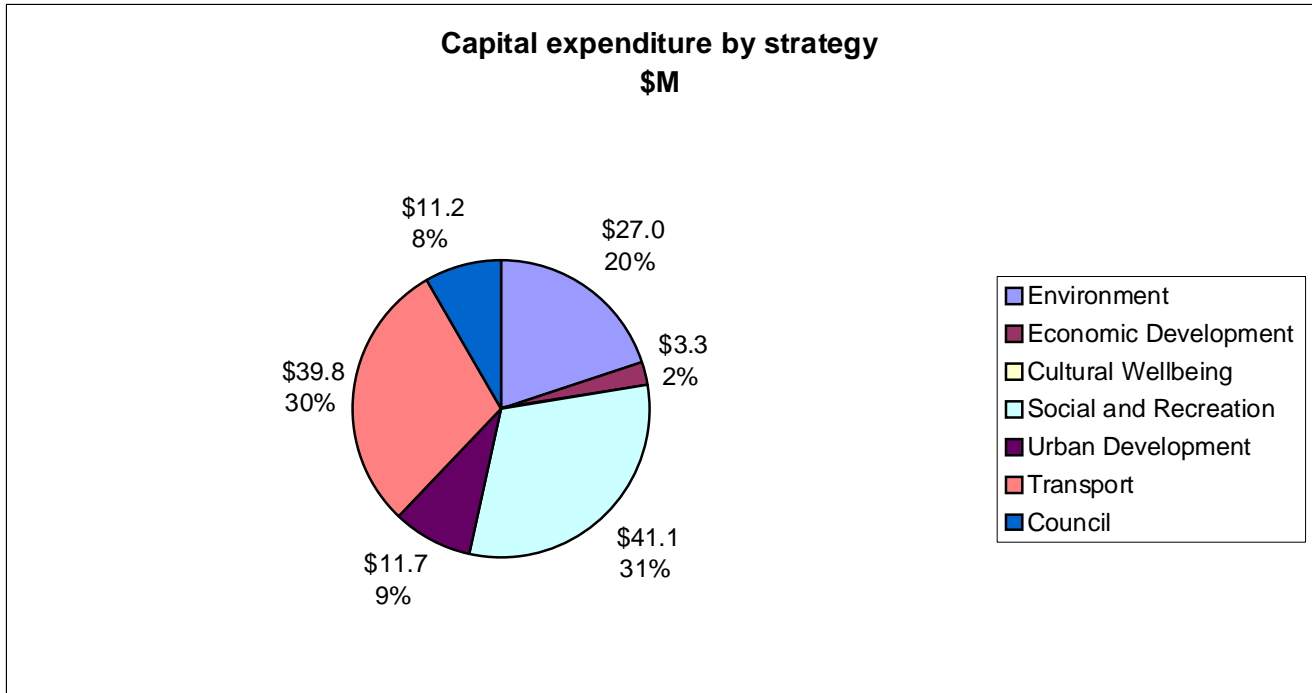


Assets

The major assets of the Council include:

- Property, Plant and Equipment (including land, buildings and infrastructure assets) – \$6,546.3 million
- Other Assets (including investment properties and investments in subsidiaries and associates) – \$365.0 million

During the year \$134.1 million was spent on constructing and developing assets around Wellington which contributed to the balance of Property, Plant and Equipment. The chart below shows how much was spent on each strategic area during the year for constructing and developing assets:



To help spread the cost of assets to everyone who benefits the Council budgets to recover a certain amount of the value of the asset each year. This amount is called depreciation⁹. Depreciation spreads the cost of an asset over its useful life.

Liabilities

The major liabilities of Council include:

- Gross borrowings - \$388.3 million¹⁰
- Other liabilities (including trade and other payables) - \$174.6million

The Council uses borrowings to fund the purchase or construction of new assets or upgrades to existing assets that are approved through the Annual Plan and Long Term Plan process.

Net borrowings

Net borrowings are the total borrowings less any cash and cash equivalents.¹¹

Net Borrowings = Gross Borrowings – Cash and Cash Equivalents

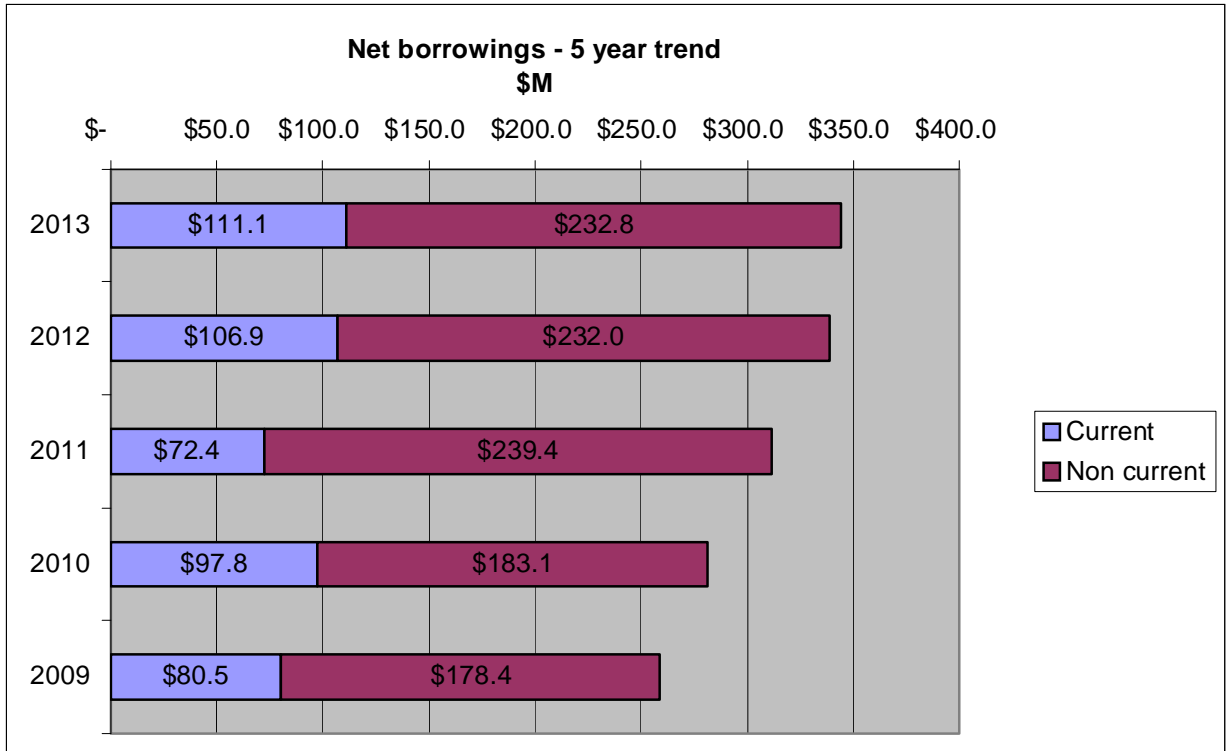
The gross borrowings were \$388.3 million¹², less the balance of cash and cash equivalents of \$44.4 million, results in a net borrowings balance of \$343.9 million at the end of the year.

⁹ Annual Report, Statement of Comprehensive Financial Performance, page XX

¹⁰ Annual Report, Notes to the financial statements, Note 21 Borrowings , page XX

¹¹ Annual Report, Notes to the financial statements, Note 10 Cash and Cash Equivalents , page XX

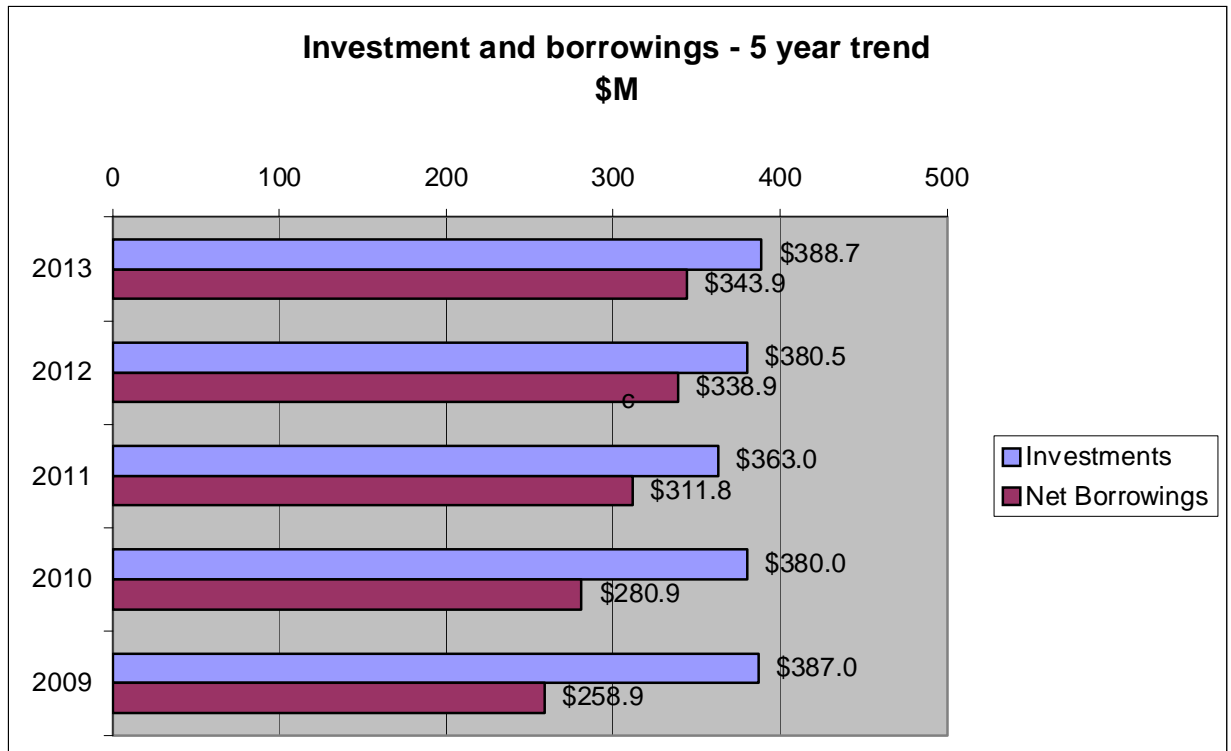
¹² Annual Report, Notes to the financial statements, Note 21 Borrowings, page XX



Net borrowings increased by \$5.0 million during the year. The net borrowings at the end of the year is \$10.1 million less than budgeted in the 2012/13 Long Term Plan. The reason for the difference is due to changes in the timing of capital projects and savings in capital expenditure.

Investment Position

The Council continues to maintain a strong investment position when compared with the level of borrowings. The graph below compares the balance of investments and net borrowings over the last five years.



The balance of investments primarily comes from investment properties, our share of the net assets of our associates (including Wellington International Airport Limited) and other financial assets.

Borrowings Compliance

During the year the Council maintained its AA credit rating with Standard and Poors. The credit rating is a comparative measure of the financial strength of the Council. The AA credit rating held by the Council is the highest credit rating attributed to councils across New Zealand. Holding and maintaining such a high credit rating provides a range of benefits to the Council that would not otherwise be available. These benefits include access to lower cost borrowings and access to a wider range of borrowing alternatives.

The Council has met all of the core policy compliance requirements set out in the Council's Investment and Liability Management Policy.

The prudential limits are set out in the table below:

Prudential limits	Policy Limit	Actual	Compliance
Borrowings as a % of equity	<10%	5.5%	Yes
Borrowings as a % of income	<150%	78.7%	Yes
Net interest as a % of annual rates income	<15%	8.4%	Yes
Notes:			
* Equity is based on the 30 June 2013 Annual Report			
* Net interest, Net borrowings, Annual Rates and Income are based on 30 June 2013 figures			

Prudential limits	Policy Limit	Actual	Compliance
Borrowings as a % of equity	<10%	5.5%	Yes
Borrowings as a % of income	<150%	78.7%	Yes
Net interest as a % of annual rates income	<15%	8.4%	Yes
Notes:			
* Equity is based on the 30 June 2013 Annual Report			
* Net interest, Net borrowings, Annual Rates and Income are based on 30 June 2013 figures			

The policy limit for net borrowings as a percentage of income for the Council of 150% is significantly less than the Local Government Funding Agency policy limit of 250%. The Council is comfortably in compliance with the prudential limits set out in the Investment and Liability Management Policy

The Council uses hedging to reduce the impact of changes in interest rates. By hedging the floating rates they effectively become fixed rates. The Investment and Liability Management Policy sets out both upper and lower hedging limits. At the end of the year some 76% of the interest on borrowings was effectively fixed due to hedging¹³.

Interest rate risk control limits (interest rate exposure)	Policy Limit	Actual	Compliance
Fixed interest proportion	50% - 95%	84%	Yes
<i>Broken down as follows:</i>			
1 - 3 year bucket	20% - 60%	24%	Yes
3 - 5 year bucket	20% - 60%	23%	Yes
5 - 10 year bucket	20% - 60%	53%	Yes

Liquidity is a measure of the Councils ability to access cash when required. The Council manages its liquidity risk by ensuring we have unused facilities available to fund future spending and by ensuring the maturity of our borrowings is well spread. The limits for liquidity are set out in the Investment and Liability Management Policy. There are some \$151.5 million of unused facilities available at 30 June to cover future spending requirements and ensure that the Council has adequate access to funds at all times¹⁴.

Liquidity/funding risk (access to funds)	Policy Limit	Actual	Compliance
Liquidity/funding risk (access to funds)	>110%	114%	Yes
<i>Broken down as follows:</i>			
1 - 3 year bucket	20% - 60%	60%	Yes
3 - 5 year bucket	20% - 60%	21%	Yes
5 - 10 year bucket	15 - 60%	19%	Yes
Notes:			
* "Liquidity" is defined as Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purposes of measuring liquidity short dated Commercial paper is excluded)			

¹³ Annual Report, Notes to the financial statements, Note 31 Financial instruments, page XX

¹⁴ Annual Report, Notes to the financial statements, Note 21 Borrowings, page XX

Group highlights

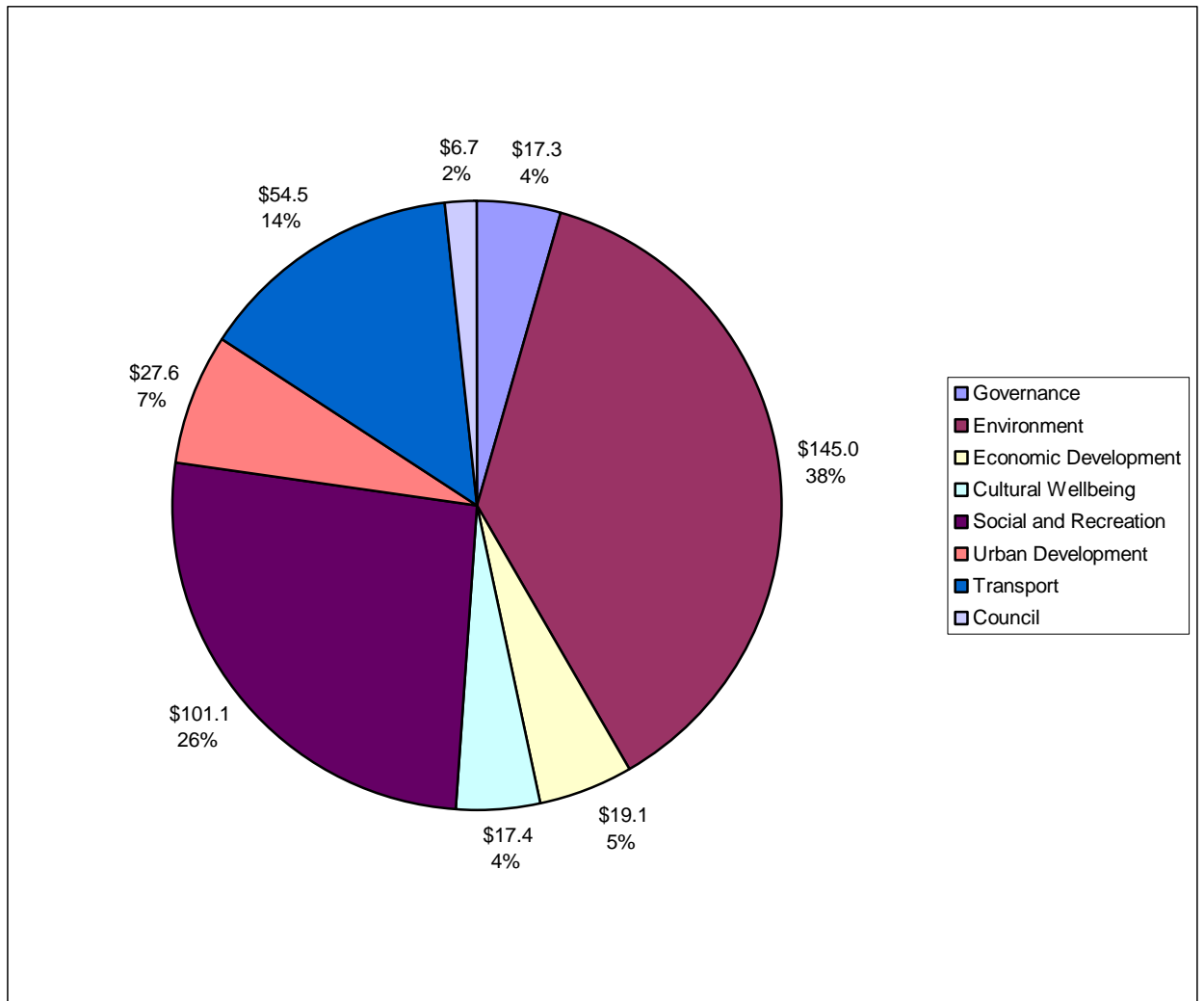
The Group comprises the Council and its interests in associate and subsidiary entities. These entities include Wellington International Airport Limited and Capacity. Refer to Note 38 of the financial statements for the full Group structure diagram.

	2013	2012	2011	2010	2009
	\$M	\$M	\$M	\$M	\$M
Net surplus	30.4	50.0	8.2	23.5	16.0
Total assets	7,081.4	7,006.4	6,841.9	6,485.7	6,443.0
Total liabilities	(570.6)	(540.1)	(495.1)	(397.6)	(375.4)
Total equity	6,510.7	6,466.2	6,346.8	6,088.0	6,067.6

Looking forward

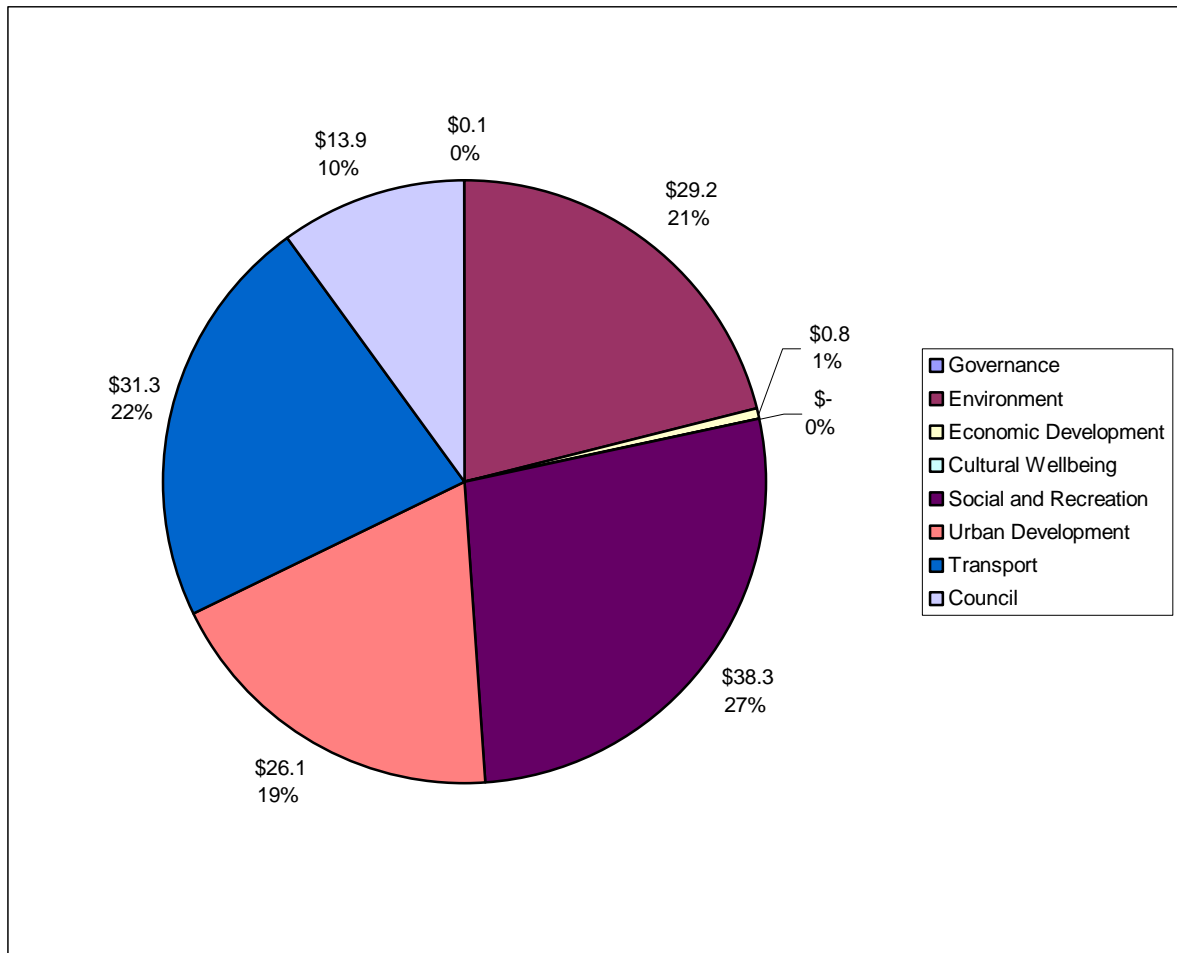
The results for the year ended 30 June 2013 reflect the delivery of high quality, cost effective services and products to the residents of Wellington. The 2013/14 Annual Plan sets out the Council's planned operating expenditure programmes for the 2013/14 year. The following graphs highlight the Council's spending plans for the 2013/14 financial year.

Operational Expenditure 2013/14 (\$M)



Total operational expenditure: \$388.7 million.

Capital Expenditure 2013/14 (\$M)



Total capital expenditure \$139.7 million. This does not include the \$32.7 million of capital expenditure carried forward from the 2012/13 financial year.¹⁵

¹⁵ Annual Report, Notes to the financial statements, Note 34 Analysis of capital expenditure by strategy, page XX

Funding Impact Statements

For the period 1 July 2012 to 30 June 2013

The funding impact statements show the source and application of funds for activities of Council and are a new requirement of the Local Government Act 2002. The statements present the capital and operational expenditure separately. The format for the funding impact statements is prescribed in the Local Government (Financial Reporting) Regulations 2011. As the format of the statements is prescribed in legislation it improves the ability to compare the results across different councils.

Whole of Council ²	2011/12 Annual plan (\$000)	2011/12 Actual (\$000)	2012/13 LTP (\$000)	2012/13 Actual (\$000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	124,615	124,792	127,147	126,925
Targeted rates (other than a targeted rate for water supply)	93,095	93,107	99,740	99,097
Subsidies and grants for operating purposes	6,323	6,903	6,831	6,660
Fees, charges, and targeted rates for water supply ¹	107,465	106,422	110,101	109,435
Interest and dividends from investments	9,308	23,355	9,308	12,530
Local authorities fuel tax, fines, infringement fees, and other receipts	13,271	10,590	12,162	9,607
Total operating funding (A)	354,077	365,169	365,289	364,254
Applications of operating funding				
Payments to staff and suppliers	230,640	229,081	235,262	229,409
Finance costs	22,195	21,209	22,647	22,247
Other operating funding applications	28,496	39,315	29,568	35,537
Total applications of operating funding (B)	281,331	289,605	287,477	287,193
Surplus (deficit) of operating funding (A - B)	72,746	75,564	77,812	77,061
Sources of capital funding				
Subsidies and grants for capital expenditure	58,501	62,438	45,765	39,925
Development and financial contributions	5,753	3,434	5,000	4,356
Increase (decrease) in debt	23,439	30,052	14,919	19,651
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	87,693	95,924	65,684	63,932
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,589	6,731	2,702	3,181
- to improve the level of service	76,480	79,951	54,491	52,695
- to replace existing assets	74,453	67,536	78,944	78,241
Increase (decrease) in reserves	6,917	17,270	7,359	6,876
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	160,439	171,488	143,496	140,993
Surplus (deficit) of capital funding (C - D)	(72,746)	(75,564)	(77,812)	(77,061)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	86,349	85,691	91,703	88,577

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

² The figures in this statement represent the Council only and do not include Wellington Waterfront or Venues Projects or our joint ventures with Porirua City Council

1.1 Governance, information and engagement

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	15,362	14,666	14,666
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	398	384	470
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	15,760	15,050	15,136
Applications of operating funding			
Payments to staff and suppliers	8,090	7,892	7,509
Finance costs	-	-	-
Internal charges and overheads applied	7,377	7,034	7,035
Other operating funding applications	135	10	127
Total applications of operating funding (B)	15,602	14,936	14,671
Surplus (deficit) of operating funding (A - B)	158	114	465
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	19
Increase (decrease) in reserves	158	114	446
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	158	114	465
Surplus (deficit) of capital funding (C - D)	(158)	(114)	(465)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	158	114	99

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

1.2 Maori engagement (including mana whenua)

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	237	237	237
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	-	-	5
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	237	237	242
Applications of operating funding			
Payments to staff and suppliers	235	229	214
Finance costs	-	-	-
Internal charges and overheads applied	2	8	5
Other operating funding applications	-	-	-
Total applications of operating funding (B)	237	237	219
Surplus (deficit) of operating funding (A - B)	-	-	23
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	23
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	-	-	23
Surplus (deficit) of capital funding (C - D)	-	-	(23)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge			
	-	-	2

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

2.1 Open spaces and conservation

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	27,306	26,648	26,648
Targeted rates (other than a targeted rate for water supply)	376	408	408
Subsidies and grants for operating purposes	512	549	766
Fees, charges, and targeted rates for water supply ¹	1,174	1,188	1,215
Internal charges and overheads recovered	5,101	5,207	5,120
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	34,469	34,000	34,157
Applications of operating funding			
Payments to staff and suppliers	16,909	16,453	16,932
Finance costs	-	-	-
Internal charges and overheads applied	13,647	13,444	13,686
Other operating funding applications	80	100	57
Total applications of operating funding (B)	30,636	29,997	30,675
Surplus (deficit) of operating funding (A - B)	3,833	4,003	3,482
Sources of capital funding			
Subsidies and grants for capital expenditure	380	250	472
Development and financial contributions	1,284	1,099	792
Increase (decrease) in debt	(472)	(1,206)	(1,117)
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	1,192	143	147
Applications of capital funding			
Capital expenditure			
- to meet additional demand	39	49	50
- to improve the level of service	1,153	94	97
- to replace existing assets	1,652	2,479	2,525
Increase (decrease) in reserves	2,181	1,524	957
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	5,025	4,146	3,629
Surplus (deficit) of capital funding (C - D)	(3,833)	(4,003)	(3,482)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	3,833	4,226	3,971

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

2.2 Waste reduction, recycling and energy conservation

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	485	496	496
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	10,055	11,821	12,079
Internal charges and overheads recovered	258	296	89
Local authorities fuel tax, fines, infringement fees, and other receipts	-	7	-
Total operating funding (A)	10,798	12,620	12,664
Applications of operating funding			
Payments to staff and suppliers	9,028	10,817	8,723
Finance costs	807	953	1,010
Internal charges and overheads applied	91	(29)	(327)
Other operating funding applications	-	-	11
Total applications of operating funding (B)	9,926	11,741	9,417
Surplus (deficit) of operating funding (A - B)	872	879	3,247
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	8
Development and financial contributions	-	-	-
Increase (decrease) in debt	941	204	137
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	941	204	145
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	941	204	137
- to replace existing assets	-	865	395
Increase (decrease) in reserves	872	14	2,860
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	1,813	1,083	3,392
Surplus (deficit) of capital funding (C - D)	(872)	(879)	(3,247)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	872	879	657

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

2.3 Water	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	24,169	23,536	23,536
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	11,850	12,854	11,427
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	36,019	36,390	34,963
Applications of operating funding			
Payments to staff and suppliers	18,865	19,816	20,232
Finance costs	-	-	-
Internal charges and overheads applied	4,239	3,665	3,603
Other operating funding applications	-	-	10
Total applications of operating funding (B)	23,104	23,481	23,845
Surplus (deficit) of operating funding (A - B)	12,915	12,909	11,118
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	109
Development and financial contributions	1,437	1,231	733
Increase (decrease) in debt	895	1,899	2,472
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	2,332	3,130	3,314
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	254	274
- to improve the level of service	2,332	2,876	3,040
- to replace existing assets	8,369	8,226	8,856
Increase (decrease) in reserves	4,546	4,683	2,268
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	15,247	16,039	14,432
Surplus (deficit) of capital funding (C - D)	(12,915)	(12,909)	(11,118)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	12,915	13,824	13,823

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

2.4 Wastewater

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	30,937	33,433	33,433
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	1,272	1,252	1,182
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	32,209	34,685	34,615
Applications of operating funding			
Payments to staff and suppliers	14,767	16,863	18,475
Finance costs	-	-	-
Internal charges and overheads applied	8,731	8,741	7,239
Other operating funding applications	-	-	-
Total applications of operating funding (B)	23,498	25,604	25,714
Surplus (deficit) of operating funding (A - B)	8,711	9,081	8,901
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,176	1,007	1,038
Increase (decrease) in debt	(1,017)	(818)	(708)
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	159	189	330
Applications of capital funding			
Capital expenditure			
- to meet additional demand	4	189	172
- to improve the level of service	155	-	158
- to replace existing assets	7,759	7,363	6,552
Increase (decrease) in reserves	952	1,718	2,349
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	8,870	9,270	9,231
Surplus (deficit) of capital funding (C - D)	(8,711)	(9,081)	(8,901)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	11,944	12,984	12,514

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

2.5 Stormwater

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates (other than a targeted rate for water supply)	16,972	17,363	17,363
Subsidies and grants for operating purposes	36	39	57
Fees, charges, and targeted rates for water supply ¹	8	9	93
Internal charges and overheads recovered	-	-	1
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	17,016	17,411	17,514
Applications of operating funding			
Payments to staff and suppliers	4,761	5,356	6,599
Finance costs	-	-	-
Internal charges and overheads applied	5,602	5,573	4,349
Other operating funding applications	-	-	-
Total applications of operating funding (B)	10,363	10,929	10,948
Surplus (deficit) of operating funding (A - B)	6,653	6,482	6,566
Sources of capital funding			
Subsidies and grants for capital expenditure	-	189	-
Development and financial contributions	124	107	85
Increase (decrease) in debt	236	(35)	8
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	360	261	93
Applications of capital funding			
Capital expenditure			
- to meet additional demand	9	95	64
- to improve the level of service	351	166	29
- to replace existing assets	3,315	3,532	2,470
Increase (decrease) in reserves	3,338	2,950	4,096
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	7,013	6,743	6,659
Surplus (deficit) of capital funding (C - D)	(6,653)	(6,482)	(6,566)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	6,653	6,482	6,543

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

2.6 Conservation attractions

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,907	5,378	5,378
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	4,907	5,378	5,378
Applications of operating funding			
Payments to staff and suppliers	96	122	128
Finance costs	-	-	-
Internal charges and overheads applied	1,075	1,031	953
Other operating funding applications	2,839	3,164	3,149
Total applications of operating funding (B)	4,010	4,317	4,230
Surplus (deficit) of operating funding (A - B)	897	1,061	1,148
Sources of capital funding			
Subsidies and grants for capital expenditure	1,072	155	541
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,217	467	1,430
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	4,289	622	1,971
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	4,289	622	1,971
- to replace existing assets	242	172	173
Increase (decrease) in reserves	655	889	975
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	5,186	1,683	3,119
Surplus (deficit) of capital funding (C - D)	(897)	(1,061)	(1,148)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	897	1,061	1,124

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

3.1 City promotions and business support

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,233	5,032	5,032
Targeted rates (other than a targeted rate for water supply)	11,450	14,572	14,572
Subsidies and grants for operating purposes	-	-	40
Fees, charges, and targeted rates for water supply ¹	248	-	635
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	16,931	19,604	20,279
Applications of operating funding			
Payments to staff and suppliers	5,712	5,755	6,739
Finance costs	-	-	-
Internal charges and overheads applied	2,275	2,428	2,381
Other operating funding applications	7,236	9,178	8,366
Total applications of operating funding (B)	15,223	17,361	17,486
Surplus (deficit) of operating funding (A - B)	1,708	2,243	2,793
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	4,011	2,419
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	-	4,011	2,419
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	4,011	2,419
- to replace existing assets	2,201	1,483	894
Increase (decrease) in reserves	(493)	760	1,899
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	1,708	6,254	5,212
Surplus (deficit) of capital funding (C - D)	(1,708)	(2,243)	(2,793)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,708	2,243	1,450

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

4.1 Arts and culture activities

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	10,834	11,716	11,716
Targeted rates (other than a targeted rate for water supply)	4,950	5,135	5,135
Subsidies and grants for operating purposes	419	420	285
Fees, charges, and targeted rates for water supply ¹	623	626	823
Internal charges and overheads recovered	147	162	162
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	16,973	18,059	18,121
Applications of operating funding			
Payments to staff and suppliers	2,939	3,256	3,131
Finance costs	-	-	-
Internal charges and overheads applied	1,690	1,760	1,798
Other operating funding applications	11,509	12,177	12,306
Total applications of operating funding (B)	16,138	17,193	17,235
Surplus (deficit) of operating funding (A - B)	835	866	886
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	43	40	10
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	43	40	10
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	43	40	10
- to replace existing assets	-	-	-
Increase (decrease) in reserves	835	866	886
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	878	906	896
Surplus (deficit) of capital funding (C - D)	(835)	(866)	(886)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	835	866	867

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

5.1 Recreation promotion and support

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	23,494	23,011	23,011
Targeted rates (other than a targeted rate for water supply)	657	850	850
Subsidies and grants for operating purposes	222	396	597
Fees, charges, and targeted rates for water supply ¹	10,803	11,490	10,249
Internal charges and overheads recovered	989	1,025	988
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	36,165	36,772	35,695
Applications of operating funding			
Payments to staff and suppliers	16,557	16,484	16,209
Finance costs	-	-	-
Internal charges and overheads applied	13,108	13,063	13,197
Other operating funding applications	225	400	405
Total applications of operating funding (B)	29,890	29,947	29,811
Surplus (deficit) of operating funding (A - B)	6,275	6,825	5,884
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	17
Development and financial contributions	659	466	308
Increase (decrease) in debt	3,957	3,563	3,216
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	4,616	4,029	3,541
Applications of capital funding			
Capital expenditure			
- to meet additional demand	1,706	1,502	1,433
- to improve the level of service	2,910	2,061	1,783
- to replace existing assets	5,147	3,227	3,069
Increase (decrease) in reserves	1,128	4,064	3,140
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	10,891	10,854	9,425
Surplus (deficit) of capital funding (C - D)	(6,275)	(6,825)	(5,884)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	6,275	6,913	6,828

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

5.2 Community participation and support

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	24,654	21,744	21,744
Targeted rates (other than a targeted rate for water supply)	4,337	4,410	4,410
Subsidies and grants for operating purposes	902	1,124	1,102
Fees, charges, and targeted rates for water supply ¹	19,192	18,650	19,435
Internal charges and overheads recovered	987	1,222	1,093
Local authorities fuel tax, fines, infringement fees, and other receipts	991	1,029	632
Total operating funding (A)	51,063	48,179	48,416
Applications of operating funding			
Payments to staff and suppliers	24,374	25,034	23,201
Finance costs	-	-	-
Internal charges and overheads applied	10,921	11,049	11,155
Other operating funding applications	5,050	3,524	3,382
Total applications of operating funding (B)	40,345	39,607	37,738
Surplus (deficit) of operating funding (A - B)	10,718	8,572	10,678
Sources of capital funding			
Subsidies and grants for capital expenditure	42,702	34,600	28,088
Development and financial contributions	-	88	58
Increase (decrease) in debt	267	(88)	(155)
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	42,969	34,600	27,991
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	43,023	34,293	27,986
- to replace existing assets	5,222	5,311	5,976
Increase (decrease) in reserves	5,442	3,568	4,707
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	53,687	43,172	38,669
Surplus (deficit) of capital funding (C - D)	(10,718)	(8,572)	(10,678)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	10,484	11,480	12,478

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

5.3 Public health and safety

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,130	8,409	8,409
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	10	10	84
Fees, charges, and targeted rates for water supply ¹	3,134	3,287	3,469
Internal charges and overheads recovered	646	666	688
Local authorities fuel tax, fines, infringement fees, and other receipts	74	57	52
Total operating funding (A)	12,994	12,429	12,702
Applications of operating funding			
Payments to staff and suppliers	7,923	7,364	8,051
Finance costs	-	-	-
Internal charges and overheads applied	4,420	4,388	3,970
Other operating funding applications	17	25	20
Total applications of operating funding (B)	12,360	11,777	12,041
Surplus (deficit) of operating funding (A - B)	634	652	661
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	5	15	10
Increase (decrease) in debt	573	33	38
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	578	48	48
Applications of capital funding			
Capital expenditure			
- to meet additional demand	19	9	9
- to improve the level of service	559	39	39
- to replace existing assets	381	633	796
Increase (decrease) in reserves	253	19	(135)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	1,212	700	709
Surplus (deficit) of capital funding (C - D)	(634)	(652)	(661)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	634	658	564

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

6.1 Urban planning, heritage and public spaces development

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,985	7,040	7,040
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	33	20	4
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	6,018	7,060	7,044
Applications of operating funding			
Payments to staff and suppliers	1,518	1,895	1,503
Finance costs	-	-	-
Internal charges and overheads applied	3,095	3,709	3,155
Other operating funding applications	1,405	1,455	4,425
Total applications of operating funding (B)	6,018	7,059	9,083
Surplus (deficit) of operating funding (A - B)	-	1	(2,039)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	31
Development and financial contributions	-	-	-
Increase (decrease) in debt	6,197	1,208	446
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	6,197	1,208	477
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	6,197	1,208	477
- to replace existing assets	-	5,360	9,056
Increase (decrease) in reserves	-	(5,359)	(11,095)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	6,197	1,209	(1,562)
Surplus (deficit) of capital funding (C - D)	-	(1)	2,039
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	-	1	11

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

6.2 Building and development management

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	7,886	8,053	8,053
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	11,111	10,611	10,237
Internal charges and overheads recovered	-	90	-
Local authorities fuel tax, fines, infringement fees, and other receipts	20	55	(29)
Total operating funding (A)	19,017	18,809	18,261
Applications of operating funding			
Payments to staff and suppliers	11,017	10,733	9,693
Finance costs	-	-	-
Internal charges and overheads applied	7,988	8,005	8,141
Other operating funding applications	-	35	4
Total applications of operating funding (B)	19,005	18,773	17,838
Surplus (deficit) of operating funding (A - B)	12	36	423
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	491	2,977	2,193
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	491	2,977	2,193
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	491	2,977	2,193
- to replace existing assets	-	-	-
Increase (decrease) in reserves	12	36	423
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	503	3,013	2,616
Surplus (deficit) of capital funding (C - D)	(12)	(36)	(423)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	12	36	42

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

7.1 Transport

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	26,766	27,666	27,666
Targeted rates (other than a targeted rate for water supply)	-	33	33
Subsidies and grants for operating purposes	4,002	4,166	3,729
Fees, charges, and targeted rates for water supply ¹	1,888	2,057	1,879
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
Total operating funding (A)	32,656	33,922	33,307
Applications of operating funding			
Payments to staff and suppliers	11,220	11,526	11,646
Finance costs	-	-	-
Internal charges and overheads applied	10,330	10,086	9,044
Other operating funding applications	-	-	4
Total applications of operating funding (B)	21,550	21,612	20,694
Surplus (deficit) of operating funding (A - B)	11,106	12,310	12,613
Sources of capital funding			
Subsidies and grants for capital expenditure	14,347	10,101	10,659
Development and financial contributions	1,068	987	1,332
Increase (decrease) in debt	7,814	3,134	6,948
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	23,229	14,222	18,939
Applications of capital funding			
Capital expenditure			
- to meet additional demand	812	604	58
- to improve the level of service	13,739	5,900	11,163
- to replace existing assets	22,914	25,754	28,585
Increase (decrease) in reserves	(3,130)	(5,726)	(8,254)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	34,335	26,532	31,552
Surplus (deficit) of capital funding (C - D)	(11,106)	(12,310)	(12,613)
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	20,710	20,093	19,318

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

7.2 Parking services

	2011/12 Annual plan \$000	2012/13 LTP \$000	2012/13 Actual \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(15,498)	(16,785)	(16,785)
Targeted rates (other than a targeted rate for water supply)	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees, charges, and targeted rates for water supply ¹	17,408	17,814	17,575
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	10,133	9,850	7,850
Total operating funding (A)	12,043	10,879	8,640
Applications of operating funding			
Payments to staff and suppliers	10,785	11,075	9,915
Finance costs	-	-	-
Internal charges and overheads applied	581	586	619
Other operating funding applications	-	-	(290)
Total applications of operating funding (B)	11,366	11,661	10,244
Surplus (deficit) of operating funding (A - B)	677	(782)	(1,604)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	297	-	-
Gross proceeds from sales of assets	-	-	-
Lump sum contributions	-	-	-
Total sources of capital funding (C)	297	-	-
Applications of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	297	-	-
- to replace existing assets	1,020	-	(3)
Increase (decrease) in reserves	(343)	(782)	(1,601)
Increase (decrease) in investments	-	-	-
Total applications of capital funding (D)	974	(782)	(1,604)
Surplus (deficit) of capital funding (C - D)	(677)	782	1,604
Funding balance ((A - B) + (C - D))	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	677	373	457

¹ Included in this figure is the metered water rates (applicable to Funding Impact Statement for Water).

Capital expenditure funding by strategic area

Strategic Area	2011/12	2012/13	2012/13
	Annual plan \$000	LTP \$000	Actual \$000
Governance			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	19
Total Governance	-	-	19
Environment			
- to meet additional demand	52	587	560
- to improve the level of service	9,221	3,962	5,432
- to replace existing assets	21,337	22,637	20,971
Total Environment	30,610	27,186	26,963
Economic Development			
- to meet additional demand	-	-	-
- to improve the level of service	-	4,011	2,419
- to replace existing assets	2,201	1,483	894
Total Economic Development	2,201	5,494	3,313
Cultural Well-being			
- to meet additional demand	-	-	-
- to improve the level of service	43	40	10
- to replace existing assets	-	-	-
Total Cultural Well-being	43	40	10
Social and Recreation			
- to meet additional demand	1,725	1,511	1,442
- to improve the level of service	46,492	36,393	29,808
- to replace existing assets	10,750	9,171	9,841
Total Social and Recreation	58,967	47,075	41,091
Urban Development			
- to meet additional demand	-	-	-
- to improve the level of service	6,688	4,185	2,670
- to replace existing assets	-	5,360	9,056
Total Urban Development	6,688	9,545	11,726
Transport			
- to meet additional demand	812	604	58
- to improve the level of service	14,036	5,900	11,163
- to replace existing assets	23,934	25,754	28,582
Total Transport	38,782	32,258	39,803
Council organisation			
- to meet additional demand	-	-	1,121
- to improve the level of service	-	-	1,193
- to replace existing assets	16,231	14,539	8,878
Total Council organisation	16,231	14,539	11,192
Total Council			
- to meet additional demand	2,589	2,702	3,181
- to improve the level of service	76,480	54,491	52,695
- to replace existing assets	74,453	78,944	78,241
TOTAL COUNCIL	153,522	136,137	134,117



Wellington City Council and Group

Consolidated Financial Statements

For the year ended 30 June 2013

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Statement of Compliance and Responsibility

Compliance

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, have been complied with.

Responsibility

The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the annual financial statements for the year ended 30 June 2013 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.

Celia Wade-Brown
Mayor
28 August 2013

Kevin Lavery
Chief Executive
28 August 2013

Andy Matthews
Acting Chief Financial Officer
28 August 2013

Statement of Comprehensive Financial Performance

For the year ended 30 June 2013

	Note	Actual	Council	Actual	Group ¹	
		2013	Budget	2012	Actual	Actual
		\$000	\$000	\$000	2013	2012
					\$000	\$000
INCOME						
Revenue from rates						
Revenue from rates (excluding metered water)	1	226,022	226,603	217,908	226,022	217,908
Revenue from water rates by meter	1	11,366	12,822	12,356	11,366	12,356
Operating Activities						
Revenue from development contributions	2	4,356	5,000	3,434	4,356	3,434
Revenue from grants, subsidies and reimbursements	2	46,795	52,596	69,523	51,076	76,420
Revenue from other operating activities	2	111,056	99,395	108,529	122,608	119,518
Revenue from investments	3	23,590	18,464	34,929	12,668	12,493
Total Revenue		423,185	414,880	446,679	428,096	442,129
Fair value movement on investment property revaluation	17	5,385	-	-	5,385	-
Other income	4	14,706	1,164	16,451	14,719	16,468
Finance income	5	3,139	562	2,202	3,497	2,493
TOTAL INCOME		446,415	416,606	465,332	451,697	461,090
EXPENSE						
Finance expense	5	(23,150)	(22,647)	(21,578)	(23,152)	(21,670)
Expenditure on operating activities	6	(303,930)	(264,830)	(288,611)	(318,740)	(304,680)
Depreciation and amortisation	7	(91,148)	(91,703)	(88,537)	(91,977)	(89,356)
Fair value movement on related party loans	13	-	-	(1,002)	-	(1,002)
Fair value movement on investment property revaluation	17	-	-	(3,418)	-	(3,418)
TOTAL EXPENSE		(418,228)	(379,180)	(403,146)	(433,869)	(420,126)
TOTAL OPERATING SURPLUS		28,187	37,426	62,186	17,828	40,964
Share of equity accounted surplus/(deficit) from associates	41	-	-	-	12,705	9,105
NET SURPLUS BEFORE TAXATION		28,187	37,426	62,186	30,533	50,069
Income tax expense	8	-	-	-	(91)	(107)
NET SURPLUS for the year		28,187	37,426	62,186	30,442	49,962
OTHER COMPREHENSIVE INCOME						
Adjustment for wind-up of St James	40	-	-	14,577	-	-
Revaluations:						
Fair value movement - property, plant and equipment - net	25	-	-	48,612	-	48,612
Cash flow hedges:						
Fair value movement - net	26	14,104	-	(14,455)	14,104	(14,455)
Reclassification to finance income	26	(163)	-	(268)	(163)	(268)
Fair value through other comprehensive income:						
Fair value movement - financial assets - net	27	(61)	(432)	(594)	(61)	(594)
Share of other comprehensive income of associates:						
Fair value movement - property, plant and equipment - net	25	-	-	-	-	33,437
Reclassification to share of equity accounted surplus	26	-	-	-	153	1,072
Adjustment - disposal of a subsidiary by an associate	41	-	-	-	-	1,745
TOTAL OTHER COMPREHENSIVE INCOME		13,880	(432)	47,872	14,033	69,549
TOTAL COMPREHENSIVE INCOME for the year		42,067	36,994	110,058	44,475	119,511

1. The Group includes the Council, the subsidiaries disclosed in Note 40, and the Council's interest in the associates disclosed in Note 41. A structural diagram of the Group is shown in Note 38.

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Explanation of Council's Net Surplus

Net surplus and total comprehensive income

The Council has recorded a net surplus of \$28.187 million for the year. This is \$9.239 million less than the budgeted net surplus of \$37.426 million.

Total comprehensive income of \$42.067 million includes fair value movements of some of our assets including plant and equipment and cash flow hedges.

Budgeted net surplus

The majority of the budgeted net surplus is due to funding received from the Crown to fund capital expenditure projects. External funding for capital expenditure is recorded in financial statements as income in the Statement of Comprehensive Income but the capital expenditure is not. In the 2012/13 year the external funding for capital expenditure was budgeted to be \$44.889 million and the actual external funding received was \$39.882 million.

Difference between budgeted and actual net surplus

	\$000
Budgeted Net Surplus	37,426
Value of assets vested to Council	10,519
These are assets transferred between the Council and an external party and are recognised as revenue or expense accordingly. The majority are infrastructural assets that have been constructed by developers and transferred to the Council on completion.	
Net fair value gain/(loss)	5,683
These amounts reflect changes in the fair value of our investment properties, loans to related parties and interest rate swaps. These movements are non-cash in nature.	
Net surplus/(deficit) from Wellington Waterfront and Venues Projects and joint ventures	(6,764)
The financial performance (deficit) of these entities is not included in the budget. (Excludes fair value movements and gains or losses on the disposal of assets shown separately)	
Changes to External Funding for Capital Expenditure	(6,675)
This income is received for specific capital projects and cannot be used to fund operating expenditure.	
Net gain/(loss) on disposal of fixed assets	(1,127)
Council does not budget for gains or losses on the disposal of assets	
Other changes	548
Certain depreciation charges are not funded through rates as they are either fully or partly funded by external parties	
Ringfenced surpluses/(deficits)	1,872
Surpluses and deficits from our housing and waste activities are ringfenced. Deficits are not rates funded.	
Underlying funding surplus/(deficit)	(13,295)
Further breakdown on next page	
Actual Net Surplus	28,187

Underlying funding surplus/(deficit)

Underlying net surplus/deficit is the portion of the overall net surplus/(deficit) that has arisen from changes to operating income and operational expenditure as compared to budget. The underlying funding surplus/(deficit) is an important measure of the overall financial performance of the Council during the year.

The Council has recorded an underlying funding deficit in the current year of \$13.295 million. This has arisen because the council recorded expenditure relating to a reassessment of the provision for weathertight homes which has been partially offset by net savings in operational expenditure.

	\$000
Unbudgeted net revenue/(expenditure)	
Restatement of weathertight homes provision	(14,965)
Provision for storm costs	(855)
Insurance costs (net of recoveries) funded through self insurance reserve	(451)
Significant changes in net revenue/(expenditure)	
Dividends in excess of budget (including Wellington Intl Airport Ltd)	1,624
Decrease in income from activities	(3,276)
Decrease in depreciation	2,820
Decrease in rates revenue	(2,228)
Decrease in net interest expense	1,997
Other net variances	2,039
Total underlying funding deficit	(13,295)

The movement in the weathertight homes provision is separately funded through a combination of rates and borrowings so is added back to calculate the underlying surplus available for use. The Council has already agreed to use \$3 million of the 2012/13 surplus to fund the Wellington Economic Initiatives Development Fund and therefore has an underlying funding surplus to carry forward of \$10.513 million.

	\$000
Opening underlying funding surplus from previous years	1,940
<i>Items separately rates funded in prior year</i>	
Movement in Weathertight Homes Provision	9,903
Underlying surplus carried forward from previous years	11,843
<i>Movement in underlying funding deficit from this years result</i>	(13,295)
<i>Items separately rates funded</i>	
Movement in Weathertight Homes Provision	14,965
Adjusted available underlying surplus	13,513
<i>Transfer to reserves</i>	
Funding Wellington Economic Initiatives Development Fund	(3,000)
Remaining underlying funding surplus to carry forward	10,513

See note 33: Major Budget Variations for more information.

Statement of Changes in Equity

For the year ended 30 June 2013

	Note	Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Group Actual 2012 \$000
EQUITY - Opening balances						
Accumulated funds and retained earnings	24	4,897,679	4,870,224	4,819,507	4,943,343	4,890,529
Revaluation reserves	25	1,417,693	1,414,606	1,369,106	1,529,500	1,447,476
Hedging reserve	26	(23,896)	(9,173)	(9,173)	(24,050)	(10,399)
Fair value through other comprehensive income reserve	27	154	748	748	154	748
Restricted funds	28	14,701	16,018	16,085	17,301	18,383
TOTAL EQUITY - Opening balance		6,306,331	6,292,423	6,196,273	6,466,248	6,346,737
CHANGES IN EQUITY						
Retained earnings						
Net surplus for the year	24	28,187	37,426	62,186	30,442	49,962
Adjustment for wind-up of St James		-	-	14,577	-	-
Adjustment - disposal of a subsidiary by an associate	41	-	-	-	-	1,745
Transfer to restricted funds	24	(4,072)	(765)	(517)	(4,639)	(1,273)
Transfer from restricted funds	24	813	765	1,901	1,293	2,355
Transfer from revaluation reserves	24	370	-	25	370	25
Revaluation reserves						
Fair value movement - property, plant and equipment - net	25	-	-	48,612	-	82,049
Transfer to retained earnings	25	(370)	-	(25)	(370)	(25)
Hedging reserve						
Movement in hedging reserve	26	13,941	-	(14,723)	14,094	(13,651)
Fair value through other comprehensive income reserve						
Movement in fair value	27	(61)	(432)	(594)	(61)	(594)
Restricted funds						
Transfer to retained earnings	28	(813)	(765)	(1,901)	(1,293)	(2,355)
Transfer from retained earnings	28	4,072	765	517	4,639	1,273
Total comprehensive income		42,067	36,994	110,058	44,475	119,511
EQUITY - Closing balances						
Accumulated funds and retained earnings	24	4,922,977	4,907,650	4,897,679	4,970,809	4,943,343
Revaluation reserves	25	1,417,323	1,414,606	1,417,693	1,529,130	1,529,500
Hedging reserve	26	(9,955)	(9,173)	(23,896)	(9,956)	(24,050)
Fair value through other comprehensive income reserve	27	93	316	154	93	154
Restricted funds	28	17,960	16,018	14,701	20,647	17,301
TOTAL EQUITY - Closing balance		6,348,398	6,329,417	6,306,331	6,510,723	6,466,248

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Statement of Financial Position

As at 30 June 2013

	Note	Council		Group		
		Actual 2013 \$000	Budget 2013 \$000	Actual 2012 \$000	Actual 2013 \$000	Actual 2012 \$000
ASSETS						
Current assets						
Cash and cash equivalents	10	44,389	19,641	22,622	50,518	26,912
Derivative financial assets	11	409	-	108	409	108
Trade and other receivables	12	49,556	38,090	41,658	52,047	43,541
Prepayments		15,048	5,869	14,211	15,233	14,309
Inventories	14	875	1,134	866	1,901	2,017
Non-current assets classified as held for sale	15	272	-	949	272	949
Total current assets		110,549	64,734	80,414	120,380	87,836
Non-current assets						
Derivative financial assets	11	3,280	1,275	949	3,280	949
Trade and other receivables	12	-	-	12,675	-	12,675
Other financial assets	13	8,369	6,814	7,842	8,769	9,362
Intangibles	16	13,549	8,350	12,169	13,588	12,277
Investment properties	17	205,951	203,742	200,474	205,951	200,474
Property, plant and equipment	18	6,546,292	6,533,338	6,501,686	6,558,933	6,514,367
Investment in subsidiaries	40	3,809	3,809	3,809	-	-
Investment in associates	41	19,519	19,519	19,519	170,453	168,424
Total non-current assets		6,800,769	6,776,847	6,759,123	6,960,974	6,918,528
TOTAL ASSETS		6,911,318	6,841,581	6,839,537	7,081,354	7,006,364
LIABILITIES						
Current liabilities						
Derivative financial liabilities	11	404	26	469	404	469
Trade and other payables	19	57,945	60,435	53,217	62,352	56,715
Revenue in advance	20	11,405	10,320	11,889	11,892	12,643
Borrowings	21	155,562	92,067	129,572	155,565	129,574
Employee benefit liabilities and provisions	22	5,698	5,694	6,638	6,988	7,936
Provision for other liabilities	23	34,501	11,708	32,209	34,501	32,209
Total current liabilities		265,515	180,250	233,994	271,702	239,546
Non-current liabilities						
Deferred tax	9	-	-	-	1,427	1,196
Derivative financial liabilities	11	12,831	10,062	23,812	12,831	23,812
Trade and other payables	19	630	-	630	630	630
Borrowings	21	232,768	281,601	232,046	232,775	232,057
Employee benefit liabilities and provisions	22	1,474	1,600	1,649	1,564	1,800
Provision for other liabilities	23	49,702	38,651	41,075	49,702	41,075
Total non-current liabilities		297,405	331,914	299,212	298,929	300,570
TOTAL LIABILITIES		562,920	512,164	533,206	570,631	540,116
EQUITY						
Accumulated funds and retained earnings	24	4,922,977	4,907,650	4,897,679	4,970,809	4,943,343
Revaluation reserves	25	1,417,323	1,414,606	1,417,693	1,529,130	1,529,500
Hedging reserve	26	(9,955)	(9,173)	(23,896)	(9,956)	(24,050)
Fair value through other comprehensive income reserve	27	93	316	154	93	154
Restricted funds	28	17,960	16,018	14,701	20,647	17,301
TOTAL EQUITY		6,348,398	6,329,417	6,306,331	6,510,723	6,466,248
TOTAL EQUITY AND LIABILITIES		6,911,318	6,841,581	6,839,537	7,081,354	7,006,364

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements

Statement of Cash Flows

For the year ended 30 June 2013

	Actual 2013 \$000	Council Budget 2013 \$000	Actual 2012 \$000	Group Actual 2013 \$000	Group Actual 2012 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from rates - Council (excluding metered water)	225,077	226,745	218,440	225,077	218,440
Receipts from water rates by meter	11,373	12,822	12,356	11,373	12,356
Receipts from rates - Greater Wellington Regional Council	46,517	-	43,789	46,517	43,789
Receipts from activities and other income	116,087	105,417	102,336	134,271	116,109
Receipts from grants and subsidies - operating	6,913	6,831	7,452	11,168	12,744
Receipts from grants and subsidies - capital	45,938	45,765	55,644	46,377	51,720
Receipts from investment property lease rentals	13,508	9,166	13,333	13,649	13,481
Cash paid to suppliers and employees	(254,770)	(240,674)	(243,401)	(285,646)	(266,379)
Rates paid to Greater Wellington Regional Council	(50,410)	-	(44,703)	(50,410)	(44,703)
Grants paid	(32,811)	(29,328)	(38,932)	(22,959)	(29,739)
Income tax paid	-	-	-	-	(49)
Net GST (paid) / received	(455)	-	1,260	(1,246)	1,310
NET CASH FLOWS FROM OPERATING ACTIVITIES	126,967	136,744	127,574	128,171	129,079
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received	10,922	9,298	22,436	10,922	22,426
Interest received	1,642	10	951	1,856	1,110
Decrease in bank investments	-	-	-	1,532	-
Proceeds from sale of property, plant and equipment	3,492	-	2,023	3,492	2,023
Increase in investments	(123)	-	(2,240)	(523)	(2,630)
Purchase of investment properties	(92)	-	(150)	(92)	(150)
Purchase of intangibles	(4,877)	(4,563)	(4,677)	(4,886)	(4,693)
Purchase of property, plant and equipment	(122,260)	(151,574)	(151,994)	(122,962)	(153,052)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(111,296)	(146,829)	(133,651)	(110,661)	(134,966)
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings	156,360	31,662	158,299	156,360	158,299
Repayment of borrowings	(129,000)	-	(129,000)	(129,000)	(129,000)
Interest paid on borrowings	(21,264)	(21,577)	(20,241)	(21,264)	(20,332)
NET CASH FLOWS FROM FINANCING ACTIVITIES	6,096	10,085	9,058	6,096	8,967
Net increase/(decrease) in cash and cash equivalents	21,767	-	2,981	23,606	3,080
Cash and cash equivalents at beginning of year	22,622	19,641	19,641	26,912	23,832
CASH AND CASH EQUIVALENTS AT END OF YEAR 10	44,389	19,641	22,622	50,518	26,912

Wellington City Council acts as a collection agency for Greater Wellington Regional Council (GWRC) by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC. The budget assumes that the inflows and outflows will offset each other and are shown as nil accordingly.

The Council has ring fenced cash of \$14.075m relating to the housing upgrade project and waste activities; this has been offset against borrowings. See Note 21: Borrowings for more information.

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Statement of Cash Flows - continued

The net surplus from the Statement of Comprehensive Financial Performance is reconciled to the net cash flows from operating activities in the Statement of Cash Flows as follows:

Reconciliation of net surplus to net cash flows from operating activities	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Net surplus for the period		28,187	62,186	30,442	49,962
Add/(deduct) non-cash items:					
Net vested assets / expense	4	(10,519)	(7,163)	(10,519)	(7,191)
Bad debts written-off not previously provided for	6	-	78	-	78
Depreciation and amortisation	7	91,148	88,537	91,958	89,356
Fair value changes in investment properties	17	(5,385)	3,418	(5,385)	3,418
Other fair value changes		(850)	100	(566)	30
Movement in provision for impairment of doubtful debts		(179)	(72)	(217)	(72)
Tax expense		-	-	22	81
Non-cash movement in provisions		15,852	9,887	15,851	9,887
Total non-cash items		90,067	94,785	91,144	95,587
Add/(deduct) movement in working capital: ¹					
Trade and other receivables		5,066	(16,249)	5,507	(17,682)
Prepayments		(837)	(8,342)	(941)	(7,978)
Trade and other payables		1,262	6,422	1,127	7,592
Revenue in advance		(484)	1,569	(751)	1,140
Inventories		(9)	268	118	94
Employee benefit liabilities		(1,115)	993	(1,243)	1,103
Provision for other liabilities		(4,997)	(4,441)	(4,993)	(4,378)
Total working capital movement		(1,114)	(19,780)	(1,176)	(20,109)
Add/(deduct) investing and financing activities:					
Net loss / (gain) on disposal of property, plant and equipment		1,127	(6,471)	1,162	(6,470)
Dividends received		(10,922)	(22,436)	(94)	-
Interest received		(1,642)	(951)	(1,863)	(1,110)
Interest paid on borrowings		21,264	20,241	21,261	20,332
Share of equity accounted surplus from associates		-	-	(12,705)	(9,113)
Total investing and financing activities		9,827	(9,617)	7,761	3,639
Net cash flow from operating activities		126,967	127,574	128,171	129,079

1. Excluding non-cash items

The notes on pages **XX to XX** form part of and should be read in conjunction with these financial statements.

Notes forming part of the Financial Statements

For the year ended 30 June 2013

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Summary of Significant Accounting Policies

Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council and Group is to provide goods or services for community or social benefits rather than making a financial return. Accordingly, for the purposes of financial reporting, Wellington City Council is a public benefit entity.

The financial statements include the Council and Group. A Group structural diagram is included in Note 38. The Council includes the results and operations of Wellington City Council as a separate legal entity, the Council's interests in the joint ventures as disclosed in Note 39 and both the Wellington Waterfront and Wellington Venues projects. The Group includes the Council, the subsidiaries disclosed in Note 40, and the Council's interest in the associates disclosed in Note 41. All entities included within the Group are domiciled in Wellington, New Zealand.

The financial statements of the Council and Group are for the year ended 30 June 2013 and were authorised for issue by Council on 28 August 2013.

Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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. The inflation rates used are obtained from the latest relevant BERL forecasts and the discount rate is the Council's forecast long term cost of borrowing.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Change of accounting policies

There have been no changes in accounting policies during the financial period.

Standards, amendments and interpretations issued but not yet effective and not early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to the Council include:

- NZ IFRS 9 *Financial Instruments* and NZ IFRS 9 *Financial Instruments (2010)* - The Council has previously made the decision not to early adopt NZ IFRS 9 Financial Instruments to replace NZ IAS 39

Financial Instruments: Recognition and Measurement, as not all phases of NZ IFRS 9 have been completed and authorised for use. The effective date for adoption by Council is 1 July 2015.

The suite of approved accounting standards currently applicable for Public Benefit entities (PBE) is temporarily frozen pending the development of a new set of New Zealand public sector accounting standards (PAS) based on the International Public Sector Accounting Standards (IPSAS). The expected transition date to the new standards is 1 July 2014.

An interim 'new' set of standards (NZ IFRS PBE) with effect for periods beginning on or after 1 December 2012 will replace the 'old' NZ IFRS with PBE paragraphs. There are no differences between the 'old' and 'new' sets of standards.

No disclosures have been made in regard to new or amended NZ IFRS that are presently only applicable to 'for profit' entities.

Judgements and estimations

The preparation of financial statements using NZ IFRS requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Basis of consolidation

The Group includes joint ventures, subsidiaries and associates. A Group structure diagram is included in Note 38.

Joint ventures

Joint ventures are contractual arrangements with other parties to undertake a jointly controlled operation. The Council has a liability in respect of its share of joint ventures' deficits and liabilities, and shares in any surpluses and assets. The Council's proportionate interest in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

Subsidiaries

Subsidiaries are entities that are controlled by the Council. In the Council financial statements, the investment in subsidiaries are carried at cost. In the Group financial statements, subsidiaries are accounted for using the purchase method where assets, liabilities, revenue and expenditure is added in on a line-by-line basis.

All significant transactions between Group entities, other than rates, are eliminated on consolidation. Rates are charged on an arm's length basis and are not eliminated to ensure that reported costs and revenues are consistent with the Council's Annual Plan.

Associates

Associates are entities where the Council has significant influence, but not control, over their operating and financial policies. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

Income

Income comprises revenue, gains and finance income and is measured at the fair value of consideration received or receivable. Specific accounting policies for major categories of income 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 proportionately throughout the year.

Operating activities*Grants, subsidies and reimbursements*

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the payment will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (e.g. New Zealand Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Development contributions

Development contributions are recognised as income when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide, the service, development contributions are recognised as liabilities.

Fines and penalties

Revenue from fines and penalties (e.g. traffic and parking infringements, library overdue book fines, rates penalties) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed.

Rendering of services

Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided.

Sale of goods

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 are recognised when the shareholders' rights to receive payment have been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease.

Other income

Specific accounting policies for major categories of other income are outlined below:

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings on the disposal of property, plant and equipment and movements in the fair value of financial assets and liabilities.

Finance income*Interest*

Interest income is recognised using the effective interest rate method.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (e.g. beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

Expenses

Specific accounting policies for major categories of expenditure are outlined below:

Operating activities

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (e.g. cash or physical assets) to another entity in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Finance expense

Interest

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

Taxation

Income tax on the surplus or deficit for the year 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.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of 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.

Financial instruments

Financial instruments include financial assets (loans and receivables and financial assets at fair value through other comprehensive income), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Financial assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive income.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and loans and deposits.

Cash and cash equivalents comprise cash balances and call deposits with maturity dates of less than three months.

Trade and other receivables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable.

Loans and deposits include loans to other entities (including subsidiaries and associates), and bank deposits with maturity dates of more than three months.

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Trade and other receivables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for impairment in respect of these receivables.

Financial assets at fair value through other comprehensive income 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 income 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 income is recognised within surplus or deficit.

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

Derivatives

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive income while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive income transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit. Where a derivative is used to hedge variability in the fair value of the Council's fixed rate borrowings (fair value hedge), the gain or loss is recognised within surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Inventories

Inventories consumed in the provision of services (such as botanical supplies) are measured at the lower of cost and current replacement cost.

Inventories held for resale (such as rubbish bags), are recorded at the lower of cost (determined on a first-in, first-out basis) and net realisable value. This valuation includes allowances for slow moving and obsolete stock. Net realisable value is the estimated selling price in the ordinary course of business.

Inventories held for distribution at no or nominal cost, are recorded at the lower of cost and current replacement cost.

Investment properties

Investment properties are properties which are held primarily to earn rental income or for capital growth or both. These include the Council's ground leases, land and buildings and the Wellington Waterfront Project's investment properties.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment. Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Non-current assets classified as held for sale

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- A plan to sell the asset is in place and an active programme to locate a buyer has been initiated;
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence that the Group remains committed to sell the asset; and
- Actions required to complete the sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit.

Property, plant and equipment

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post closure asset, buildings, the Civic Centre complex, the library collection and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (e.g. infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (e.g. vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Specific measurement policies for categories of property, plant and equipment are shown below:

Operational assets

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets*, published by the Treasury Accounting Team, November 2002.

Land and buildings are valued at fair value on a three-year cycle by independent registered valuers.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (roading network, water, waste and drainage reticulation assets) are valued at optimised depreciated replacement cost on a three-year cycle 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 three-year cycle.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Revaluations

The result of any revaluation of the Council's property, plant and equipment is recognised within other comprehensive income and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, with any remaining increase recognised within other comprehensive income and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

Further information in respect of the most recent valuations for each class is provided in Note 25: Revaluation reserves.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive income.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life. The estimated useful lives and depreciation rate ranges of the major classes of property, plant and equipment are as follows:

Land	unlimited	not depreciated
Buildings	1 to 100 years	1% to 100%
Civic Centre complex	10 to 100 years	1% to 10%
Plant and equipment	3 to 100 years	1% to 33.3%
Library collections	3 to 11 years	9.1% to 33.3%
Restricted assets (excluding buildings)	unlimited	not depreciated
Infrastructure assets		
Land (including land under roads)	unlimited	not depreciated
Roading		
Formation/earthworks	unlimited	not depreciated
Pavement	13 to 40 years	2.5% to 7.7%
Traffic islands	80 years	1.25%
Bridges and tunnels	3 to 150 years	0.67% to 33.3%
Drainage	15 to 120 years	0.83% to 6.67%
Retaining walls	30 to 100 years	1% to 3.33%
Pedestrian walkway	10 to 50 years	2% to 10%
Pedestrian furniture	8 to 25 years	4% to 12.5%
Barriers	10 to 110 years	0.91% to 10%
Lighting	10 to 50 years	2% to 10%
Cycleway network	25 to 45 years	2.2% to 4%
Parking equipment	8 to 10 years	10% to 12.5%
Passenger transport facilities	25 years	4%
Traffic infrastructure	3 to 30 years	3.33% to 33.3%
Drainage, waste and water		
Pipework	40 to 110 years	0.91% to 2.5%
Fittings	7 to 100 years	1% to 14.29%
Water pump stations	10 to 100 years	1% to 10%
Water reservoirs	40 to 100 years	1% to 2.5%
Equipment	25 years	4%
Sewer pump stations	20 to 80 years	1.25% to 5%
Tunnels	150 years	0.67%
Treatment plants	3 to 100 years	1% to 33.3%

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Intangible assets

Intangible assets predominantly comprise computer software and carbon credits. They are recorded at cost less any subsequent amortisation and impairment losses.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives and depreciation rate range of these assets are as follows:

Computer software	1 to 7 years	14.29% to 100%
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Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits are recognised at cost at the date of allocation or purchase.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

Research and Development

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

Leases

Operating leases as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

Operating leases as lessor

The Group leases investment properties and a portion of land and buildings. Rental income is recognised on a straight line basis over the lease term.

Finance leases

Finance leases transfer to the Group (as lessee) substantially all the risks and rewards of ownership of the leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments.

The finance charge is released to surplus or deficit over the lease period and the capitalised values are amortised over the shorter of the lease term and the useful life of the leased item.

Employee benefit liabilities

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes: annual leave, long service leave (qualified for), statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Retirement gratuities

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Other contractual entitlements

Other contractual entitlements include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

Provisions

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Landfill post closure costs

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring; completing facilities for water quality monitoring; completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council has a 21.5% joint venture interest in the Spicer Valley landfill. The Council's provision for landfill post closure costs includes the Council's proportionate share of the Spicer Valley landfill provision for post closure costs.

ACC partnership programme

The Council is an Accredited Employer under the ACC Partnership Programme. As such the Council accepts the management and financial responsibility of our employee work-related injuries. From 1 April 2009 the Council changed its agreement with ACC from Full Self Cover (FSC) to Partnership Discount Plan (PDP). Under the PDP option, the Council is responsible for managing work related injury claims for a two-year period only and transfer ongoing claims to ACC at the end of the two-year claim management period with no further liability. Under the ACC Partnership Programme the Council is effectively providing accident insurance to employees and this is accounted for as an insurance contract. The value of this liability represents the expected future payments in relation to work related injuries occurring up to the end of the reporting period for which the Council has responsibility under the terms of the Partnership Programme.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Council measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Council's best estimate of the obligation or the amount initially recognised less any amortisation.

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive income reserve and restricted funds (special funds, reserve funds, trusts and bequests).

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Contingent assets and liabilities

Contingent liabilities and contingent assets are disclosed in the Notes forming part of the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote. Contingent assets are disclosed if it is probable that the benefits will be realised.

Statement of cash flows

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial income sources of the Council and the Group and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment income. Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include members of the Group and key management personnel, including the Mayor and Councillors, the Chief Executive and all members of the Executive Leadership Team

The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. Directors' remuneration comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, to a director during the reporting period. The disclosures for the Group include the remuneration of the Mayor and those Councillors in their role as trustees or directors of entities within the Group. Directors' remuneration does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cellphones and laptops.

Budget figures

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The Annual Plan figures do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the Annual Plan process. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. For completeness, any additional expenditure approved by the Council is explained in Notes 32 to 35. The Annual Plan figures have been prepared in accordance with Generally Accepted Accounting Practice and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Performance). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy. (There has been no change in the 2012/13 year).

Note 1: Revenue from rates

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
General rates				
Base sector	68,202	67,032	68,202	67,032
Commercial, industrial and business sector	58,723	57,836	58,723	57,836
Targeted rates				
Base sector	6,579	6,112	6,579	6,112
Commercial, industrial and business sector	5,163	4,411	5,163	4,411
Sewerage	33,518	31,287	33,518	31,287
Stormwater	17,397	16,986	17,397	16,986
Water	22,648	23,210	22,648	23,210
Downtown	13,745	10,987	13,745	10,987
Marsden Village	14	14	14	14
Tawa driveways	33	33	33	33
Total revenue from rates (excluding metered water)	226,022	217,908	226,022	217,908
Revenue from water rates by meter	11,366	12,356	11,366	12,356
Total revenue from rates for Wellington City Council	237,388	230,264	237,388	230,264
Total rates billed	284,043	273,942	284,043	273,942
less Greater Wellington Regional Council component	(46,655)	(43,678)	(46,655)	(43,678)
Total revenue from rates for Wellington City Council	237,388	230,264	237,388	230,264

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$10.419m (2012: \$10.125m). For the Group rates of \$10.455m (2012: \$10.161m) have not been eliminated.

Rates remissions

Revenue from rates and levies is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown levy targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown levy targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2013 totalled \$0.260m (2012: \$0.224m).

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Total revenue from rates	237,648	230,488	237,648	230,488
less Council policy remissions				
Rural open space	129	99	129	99
Land used principally for games or sport	80	78	80	78
Downtown levy	51	47	51	47
Total remissions	260	224	260	224
Total revenue from rates (net of remissions)	237,388	230,264	237,388	230,264

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, churches, public gardens and certain land vested in the Crown. This land is non-rateable in respect of general rates but, where applicable, is rateable in respect of sewerage and water. Non-rateable land does not constitute a remission under the Council's Rates Remission and Postponement Policies.

Note 2: Revenue from operating activities

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Grants, subsidies and reimbursements				
Grants, subsidies and reimbursements - operating	7,192	7,452	12,237	14,112
Grants, subsidies and reimbursements - capital	39,603	62,071	38,839	62,308
Total grants, subsidies and reimbursements	46,795	69,523	51,076	76,420
Development contributions	4,356	3,434	4,356	3,434
Other operating activities				
Fines and penalties	10,132	11,140	10,132	11,140
Rendering of services	94,888	91,055	104,687	97,577
Sale of goods	6,036	6,334	7,789	10,801
Total other operating activities	111,056	108,529	122,608	119,518
Total revenue from operating activities	162,207	181,486	178,040	199,372

For the Council, the principal grants and reimbursements are from:

- 1) The New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading infrastructure. The capital reimbursements from NZTA of \$10.641m (2012: \$12.377m) and operating reimbursements of \$4.471m (2012: \$4.527m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.
- 2) The Crown, for the upgrade of the Council's social housing stock. The capital grant recognised in the current year of \$28.088m (2012: \$48.050m) is part of a 10 year work programme that commenced in 2008 and the revenue is recognised in accordance with that agreed work programme. There are no unfulfilled conditions or other contingencies relating to this grant.

For the Group, the additional principal subsidy was \$3.814m (2012: \$5.632m) from Greater Wellington Regional Council to Wellington Cable Car Limited for the maintenance of the overhead wire trolley system.

Rendering of services includes revenue from all Council services and is broken down as follows:

Rendering of services	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Animal control	1,128	1,043	1,128	1,043
Berths and boat sheds	578	585	578	585
Building consents and licensing services	11,591	10,500	11,591	10,500
Community programmes and facilities hire	2,403	1,929	2,403	1,929
Community housing	17,992	16,717	17,992	16,717
Convention and conference centre	14,441	13,663	14,441	13,663
Encroachments and reserve land contributions	1,702	1,517	1,702	1,517
Green spaces	1,967	1,987	1,967	1,987
Landfill operations and recycling	7,673	8,084	7,673	8,084
Lease revenue from property, plant and equipment	4,744	4,572	4,744	4,572
Libraries - hireage	1,095	1,047	1,095	1,047
Parking fees and permits	17,042	16,699	17,042	16,699
Rendering of services recognised in subsidiaries	-	-	9,799	6,522
Roading infrastructure projects	1,261	1,628	1,261	1,628
Services to Greater Wellington Regional Council	751	727	751	727
Swimming pools	6,382	6,135	6,382	6,135
Trade waste	565	529	565	529
Other	3,573	3,693	3,573	3,693
Total rendering of services	94,888	91,055	104,687	97,577

Note 3: Revenue from investments

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Dividend from investment in associates		10,828	22,426	-	-
Dividend from investment in subsidiary		94	10	-	-
Investment property lease rentals	17	12,668	12,493	12,668	12,493
Total revenue from investments		23,590	34,929	12,668	12,493

The decrease in the dividends from associates is due to the payment of a special dividend in the prior period of \$13.600m from Wellington International Airport Limited in 2012 that was not repeated in the current period.

Note 4: Other income

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Gain on disposal of property, plant and equipment	360	6,701	361	6,701
Release of provisions	2,403	1,276	2,415	1,293
Petrol tax	1,102	1,127	1,102	1,127
Restricted funds	322	184	322	184
Vested assets	10,519	7,163	10,519	7,163
Total other income	14,706	16,451	14,719	16,468

Restricted funds are received for specific purposes and are generally held for future use within special reserves or bequest and trust funds. For further information refer to Note 28: Restricted funds

Vested assets are principally infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network.

The values of principal vested assets received were: Roothing (\$6.322m) and Drainage, waste and water (\$3.640m).

Note 5: Finance income and expense

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Finance income					
Amortisation of loans to related parties	13	465	504	465	504
Cash flow hedge movements reclassified from hedging reserve	26	163	268	163	268
Fair value hedge adjustments to borrowings		648	217	648	217
Interest on deposits, loans and receivables		1,641	951	1,999	1,242
Movements on derivatives at fair value through surplus or deficit		222	262	222	262
Total finance income		3,139	2,202	3,497	2,493
<i>Less</i>					
Finance expense					
Fair value hedge movements		648	217	648	217
Interest on borrowings		21,269	20,015	21,269	20,107
Interest on finance leases		62	117	64	117
Re-discounting of interest on provisions		1,171	1,229	1,171	1,229
Total finance expense		23,150	21,578	23,152	21,670
Net finance cost		20,011	19,376	19,655	19,177

Movements arising from the remeasurement of the Group's fair value hedges are offset by a fair value adjustment to borrowings so there is no impact on the net surplus for the year.

Movements on derivatives at fair value through surplus or deficit represents the fair value movements on interest rate swaps that do not meet the criteria for hedge accounting. Movements in the Group's other derivatives that meet the criteria for hedge accounting, are taken to the cash flow hedge reserve and have no impact on the net surplus for the year.

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 22: Employee benefit liabilities and provisions, and Note 23: Provision for other liabilities.

Note 6: Expenditure on operating activities

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Auditor's remuneration:					
Audit services - Audit New Zealand - Financial Statements		301	314	390	359
Audit services - Audit New Zealand - Long Term Plan		-	135	-	135
Audit services - Audit New Zealand - other		7	7	7	7
Audit services - Other Auditors		-	-	50	29
Impairments					
Bad debts written off not previously provided for		-	78	-	78
Increase in provision for impairment of trade and other receivables	12	803	222	803	222
Impairment loss from property, plant and equipment	18	-	132	-	132
Governance and employment					
Councillor remuneration as directors/trustees	43	1,317	1,314	1,407	1,404
Directors/trustees of subsidiaries - remuneration		-	-	467	453
Other elected members' remuneration (Community Boards)	43	105	102	105	102
Employee benefits expense:					
- Remuneration		73,666	76,698	91,320	94,052
- Superannuation contributions (including Kiwisaver)		1,380	1,246	1,644	1,457
- Termination benefits (including severances)		1,781	2,410	1,862	2,502
Other personnel costs		2,894	3,492	3,339	3,944
Insurance					
Insurance premiums		11,482	9,084	11,910	9,423
Self insurance costs - net	29	451	915	451	915
General					
Advertising, printing and publications		2,146	2,976	8,189	8,595
Consultants and legal fees		5,961	5,647	6,157	5,796
Contractors		2,701	3,278	3,815	4,593
Direct costs		105,690	98,727	113,917	108,634
Grants - general		13,182	11,025	13,082	10,970
Grants to subsidiaries	42	18,274	17,824	-	-
Grants to associates	42	1,355	180	1,355	180
Information and communication technology		6,012	5,482	6,748	6,090
Loss on disposal of property, plant and equipment		1,357	210	1,393	210
Loss on disposal of intangibles		130	20	130	20
Operating lease - minimum lease payments		1,174	1,196	1,706	1,692
Reassessment of provisions	23	15,945	9,903	15,945	9,903
Utility costs		17,861	17,151	18,355	17,655
Other general costs		17,955	18,843	14,193	15,128
Total expenditure on operating activities		303,930	288,611	318,740	304,680

Auditor's remuneration

During the period Audit New Zealand provided other services to the Council, namely assurance services relating to the Clifton Terrace Carpark managed by the Council on behalf of the New Zealand Transport Agency.

Note 6: Expenditure on operating activities - continued**General**

Direct costs are costs directly attributable to the provision of Council services, including contracts, maintenance, management fees, materials and services.

Grants – general include \$2.250m towards the funding of Te Papa.

Operating lease minimum lease payments are for non-cancellable agreements for the use of assets such as buildings and specialised computer equipment.

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates on Council owned properties.

Note 7: Depreciation and amortisation

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Depreciation				
Buildings	17,780	16,442	17,780	16,442
Civic Centre complex	2,866	2,807	2,866	2,807
Restricted buildings	1,240	1,168	1,240	1,168
Drainage, waste and water infrastructure	33,176	33,222	33,176	33,222
Landfill post closure	250	213	250	213
Library collections	2,307	2,070	2,307	2,070
Plant and equipment	10,243	10,779	10,994	11,529
Roading infrastructure	19,418	18,695	19,418	18,695
Total depreciation	87,280	85,396	88,031	86,146
Amortisation				
Computer software	3,868	3,141	3,946	3,210
Total amortisation	3,868	3,141	3,946	3,210
Total depreciation and amortisation	91,148	88,537	91,977	89,356

Depreciation (amortisation) is an expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to 'intangible' assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Note 8: Income tax expense

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current tax expense				
Current year	-	-	47	107
Prior period adjustment	-	-	-	-
Total current tax expense	-	-	47	107
Deferred tax expense				
Origination and reversal of temporary differences	(270)	(190)	-	103
Change in unrecognised temporary differences	-	-	44	(46)
Recognition of previously unrecognised tax losses	270	190	-	(57)
Total deferred tax expense	-	-	44	-

Reconciliation of tax on the surplus and tax expense	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Surplus for the period before taxation	28,187	62,186	30,533	50,069
Prima facie income tax based on domestic tax rate - 28%	7,892	17,412	8,549	14,019
Effect of non-deductible expenses and tax exempt income	(8,169)	(17,539)	(8,013)	(17,539)
Effect of tax losses utilised	270	190	-	-
Current years loss for which no deferred tax asset was recognised	7	(25)	7	(30)
Recognition of prior year loss	-	-	(51)	-
Change in unrecognised temporary differences	-	-	103	(16)
Prior period adjustment	-	0	22	(57)
Share of income tax of equity accounted associates	-	(38)	(526)	3,730
Tax Expense	-	-	91	107

Imputation credits	Group	
	2013 \$000	2012 \$000
Imputation credits available in subsequent periods	101	70

Note 9: Deferred tax assets and liabilities**Unrecognised temporary differences and tax losses**

Deferred tax assets have not been recognised in respect of the following items:

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Deductible temporary differences	-	-	463	363
Tax losses	2,003	2,911	2,005	2,924
Total	2,003	2,911	2,468	3,287

Under current income tax legislation, the tax losses and deductible temporary differences referred to above do not expire.

The unrecognised deferred tax asset in respect of the above items for the Council is \$0.561m (2012: \$0.815m) and for the Group \$0.691m (2012: \$0.819m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

In 2013 \$0.964m (2012: \$0.679m) previously unrecognised tax losses, with a tax effect of \$0.270m (2012: \$0.190m) were recognised by the Group by way of loss transfer arrangement.

As at 30 June 2013, the Group had a deferred tax liability of \$1.427m (2012: \$1.196m).

Note 10: Cash and cash equivalents

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Cash at bank	7,284	2,574	10,105	5,266
Cash on hand	105	48	115	59
Short term bank deposits	37,000	20,000	40,298	21,587
Total cash and cash equivalents	44,389	22,622	50,518	26,912

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

Short term deposits are made with a registered bank for varying periods of up to three months depending on the immediate cash requirements and short term borrowings of the Group, and earn interest at the applicable short term deposit rates.

Council holds short term deposits as part of its overall liquidity risk management programme. This enables Council to maintain its regular commercial paper programme and to pre-fund upcoming debt maturities. The combination of the commercial paper programme and holding short term deposits reduces Council's cost of funds.

Note 11: Derivative financial instruments

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current assets				
Interest rate swaps - fair value hedges	409	108	409	108
Total current assets	409	108	409	108
Non-current assets				
Interest rate swaps - fair value hedges	-	949	-	949
Interest rate swaps - cash flow hedges	3,280	-	3,280	-
Total non-current assets	3,280	949	3,280	949
Total derivative financial instrument assets	3,689	1,057	3,689	1,057
Current liabilities				
Interest rate swaps - cash flow hedges	404	247	404	247
Interest rate swaps - non-hedged	-	222	-	222
Total current liabilities	404	469	404	469
Non-current liabilities				
Interest rate swaps - cash flow hedges	12,831	23,812	12,831	23,812
Total non-current liabilities	12,831	23,812	12,831	23,812
Total derivative financial instrument liabilities	13,235	24,281	13,235	24,281

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Cash flow hedges are used to fix interest rates on floating rate debt (floating rate notes or commercial paper) or bank borrowings. Fair value hedges are used to convert interest rates on some fixed rate debt (bonds) to floating rates.

For further information on the Council's interest rate swaps please refer to Note 31: Financial instruments

Note 12: Trade and other receivables

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Trade receivables - debtors		10,959	8,402	13,048	11,078
Provision for impairment of trade receivables -debtors		(241)	(318)	(532)	(591)
Net trade receivables - debtors		10,718	8,084	12,516	10,487
Trade receivables - fines		10,703	10,758	10,703	10,758
Provision for impairment of trade receivables -fines		(6,623)	(6,329)	(6,623)	(6,329)
Net trade receivables - fines		4,080	4,429	4,080	4,429
Trade receivables from related parties					
- Subsidiaries	42	671	1,089	-	-
- Associates	42	13	25	13	25
Total trade receivables from related parties		684	1,114	13	25
Total net trade receivables		15,482	13,627	16,609	14,941
Accrued income		6,099	13,704	6,602	14,069
GST receivable		4,406	3,568	4,722	3,572
Rates receivable		10,417	9,605	10,417	9,605
Sundry receivables		13,152	13,829	13,697	14,029
Total trade and other receivables		49,556	54,333	52,047	56,216
Represented by:					
Current		49,556	41,658	52,047	43,541
Non-current		-	12,675	-	12,675
Total trade and other receivables		49,556	54,333	52,047	56,216

Current trade receivables, rates receivables and sundry receivables are non-interest bearing and receipt is generally on 30 day terms, therefore the carrying value of trade and other receivables approximates their fair value.

The movement in the provision for impairment of trade receivables is analysed as follows:

Provision for impairment of total trade receivables	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	6,647	7,301	6,920	7,574
New provisions made	803	222	821	222
Release of unused provision	(367)	(295)	(367)	(295)
Amount of provision utilised	(219)	(581)	(219)	(581)
Provision for impairment of total trade receivables - closing balance	6,864	6,647	7,155	6,920

Note 12: Trade and other receivables - continued

The ageing profile of trade and other receivables at the reporting date is as follows:

Council	2013 Receivables			2012 Receivables		
	Gross \$000	Impaired \$000	Net \$000	Gross \$000	Impaired \$000	Net \$000
Trade and other receivables						
Not past due	31,020	-	31,020	38,832	-	38,832
Past due 0-3 months	7,802	(113)	7,689	6,325	(125)	6,200
Past due 3-6 months	3,218	(111)	3,107	2,199	(114)	2,085
Past due more than 6 months	14,380	(6,640)	7,740	13,624	(6,408)	7,216
Total trade and other receivables	56,420	(6,864)	49,556	60,980	(6,647)	54,333

Group	2013 Receivables			2012 Receivables		
	Gross \$000	Impaired \$000	Net \$000	Gross \$000	Impaired \$000	Net \$000
Trade and other receivables						
Not past due	32,575	-	32,575	40,512	-	40,512
Past due 0-3 months	8,126	(113)	8,013	6,405	(125)	6,280
Past due 3-6 months	3,695	(111)	3,584	2,227	(114)	2,113
Past due more than 6 months	14,806	(6,931)	7,875	13,992	(6,681)	7,311
Total trade and other receivables	59,202	(7,155)	52,047	63,136	(6,920)	56,216

The receivables past due for more than six months primarily relates to fines. Due to their nature, the collection pattern for fines is longer than that for trade debtors.

Note 13: Other financial assets

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Financial assets at fair value through other comprehensive income					
Equity investments:					
- Civic Assurance		620	681	620	681
- NZ Local Government Funding Agency (LGFA)		1,883	2,000	1,883	2,000
Loans and deposits					
Bank deposits - term		-	-	400	1,520
LGFA - borrower notes		480	240	480	240
Loans to related parties - associates	42	1,407	1,248	1,407	1,248
Loans to related parties - other organisations		3,979	3,673	3,979	3,673
Total other financial assets		8,369	7,842	8,769	9,362

Civic Assurance is the trading name of New Zealand Local Government Insurance Corporation Limited, which provides insurance products and other financial services principally to local authorities. The Council holds a 4.78% (2012: 4.78%) shareholding in this entity with no present intention to sell.

The New Zealand Local Government Funding Agency Limited (LGFA), which commenced in December 2011 is an alternative debt provider majority owned by and operated for local authorities. The Council holds an 8% shareholding of the paid-up capital and as a shareholder will benefit from a return on its investment and as a borrower from lower borrowing costs. The small reduction in value relates to the sell down of shares to enable other councils to become shareholders. The LGFA has a AA+ (domestic long term) credit rating from Standard and Poors.

The loans to related parties are concessionary in nature, since the loans have been granted on interest free terms. The movements in the loans are as follows:

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Loans to related parties - associates					
<i>Wellington Regional Stadium Trust</i> <i>(nominal value \$15,394,893)</i>					
Opening balance		1,248	1,107	1,248	1,107
Amortisation of fair value adjustment		159	141	159	141
Closing balance at fair value	42	1,407	1,248	1,407	1,248
Loans to related parties - other organisations					
<i>Karori Wildlife Sanctuary Trust</i> <i>(nominal value \$10,346,689)</i>					
Opening balance		3,673	4,312	3,673	4,312
Amortisation of fair value adjustment		306	363	306	363
Additional fair value movement		-	(1,002)	-	(1,002)
Closing balance at fair value		3,979	3,673	3,979	3,673
Total loans to related parties		5,386	4,921	5,386	4,921

The fair value movement on loans reflects the timing of their expected repayments and the interest free nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value. The amortisation rate applicable to the Wellington Regional Stadium Trust is 12.710% and the rates applicable to the Karori Wildlife Sanctuary Trust range from 6.875% to 12.710%.

Further information on the related parties is disclosed in Note 42: Related party disclosures.

Note 14: Inventories

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Consumables	551	432	613	1,355
Inventories held for re-sale	193	368	1,157	596
Inventories held for distribution	131	66	131	66
Total inventories	875	866	1,901	2,017

Consumables are materials or supplies which will be consumed in conjunction with the delivery of services. Consumables within the Council predominately comprise nursery plants, printing products and drainage and waste consumables. Consumables within the Group are mainly Wellington Cable Car Limited inventories of spare parts.

Inventories held for resale within the Council mainly comprise inventories at the Botanic Gardens and the Council's swimming pools. The Group includes inventories at Wellington Museums Trust and Wellington Zoo.

Inventories held for distribution primarily relate to the holding of wheelie bins, green bins and recycling bags for distribution at no or nominal cost.

Note 15: Non-current assets classified as held for sale

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	949	8,099	949	8,099
Disposals	(899)	(7,916)	(899)	(7,916)
Transfers from property, plant and equipment	222	899	222	899
Transfers to property, plant and equipment	-	(133)	-	(133)
Non-current assets classified as held for sale - closing balance	272	949	272	949

Non-current assets held for sale are valued at the lower of the carrying amount and fair value less costs to sell at the time of reclassification.

Note 16: Intangibles

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Computer software				
Cost - opening balance	38,981	34,128	39,662	34,865
Accumulated amortisation	(28,936)	(25,943)	(29,509)	(26,525)
Computer software opening balance	10,045	8,185	10,153	8,340
Acquired by direct purchase	5,023	5,021	5,029	5,043
Net disposals	(130)	(20)	(130)	(20)
Amortisation	(3,868)	(3,141)	(3,946)	(3,210)
Transfer from property, plant and equipment	-	-	3	-
Total computer software - closing balance	11,070	10,045	11,109	10,153
Cost	43,011	38,981	43,701	39,662
Accumulated amortisation	(31,941)	(28,936)	(32,592)	(29,509)
Total computer software - closing balance	11,070	10,045	11,109	10,153
Work in progress				
Computer software	2,442	2,124	2,442	2,124
Total work in progress	2,442	2,124	2,442	2,124
Carbon Credits				
Cost - Opening Balance	-	-	-	-
Additions	37	-	37	-
Total Carbon Credits - closing balance	37	-	37	-
Total intangibles	13,549	12,169	13,588	12,277

Disposals and transfers are reported net of accumulated amortisation.

Carbon credits

As part of the Emissions Trading Scheme the Council received carbon credits from Central Government in recognition of the carbon absorbed by a portion of the Council's green belt. The Council received 149,979 credits for the 2013 calendar year (2012: 1,196). The Council has also purchased 80,000 credits in the market to cover the expected liabilities associated with landfill operations. At 30 June 2013 the total number of credits held is 234,686 (2012: 4,707).

At 30 June 2013 the liability relating to these credits is \$0.080m (2012: nil).

More information on carbon credits can be found in the Statements of Service Performance under activity 2.2: Waste reduction and energy conservation.

Note 17: Investment properties

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	200,474	203,742	200,474	203,742
Additions by acquisition	-	21	-	21
Additions by subsequent expenditure	92	129	92	129
Fair value revaluation movements taken to surplus/(deficit)	5,385	(3,418)	5,385	(3,418)
Investment properties - closing balance	205,951	200,474	205,951	200,474

Wellington City Council's investment properties were valued as at 30 June 2013 by William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for CBRE Limited. Wellington Waterfront Project's investment properties were valued as at 30 June 2013 by Paul Butchers (BBS, FNZIV, FPINZ), Director of Bayleys Valuation Limited.

The Council's total investment properties comprise ground leases of \$154.902m (2012: \$154.527m) and land and buildings of \$51.049m (2012: \$45.947m) held for investment purposes.

Ground leases are parcels of land owned by the Council in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the rental income over the remaining term of the lease and add the residual value of the land at lease expiry. For sites subject to perpetually renewable leases values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross rental payments.

Revenues and expenses	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Revenue from investment properties	12,668	12,493	12,668	12,493
Direct operating expenses of investment properties - From investment properties that generated income	339	1,058	339	1,058
Contractual obligations for capital expenditure	35	6,947	35	6,947
Contractual obligations for operating expenditure	48	62	48	62

The direct operating expenses relating to investment properties form part of the direct expenses in Note 6: Expenditure on operating activities.

Fair value of investment properties valued by independent registered valuers	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
William Bunt - CBRE Limited	156,662	156,577	156,662	156,577
Paul Butchers - Bayleys Valuation Limited	49,289	43,897	49,289	43,897
Total fair value of investment properties valued by independent registered valuers	205,951	200,474	205,951	200,474

Note 18: Property, plant and equipment

The movements in the property, plant and equipment assets are summarised as follows:

Summary	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Property, plant and equipment - Opening balance	6,501,686	6,362,494	6,514,367	6,393,223
Additions	149,795	226,238	149,956	223,057
Disposals	(6,823)	(1,936)	(6,860)	(16,028)
Depreciation expense	(87,280)	(85,396)	(88,031)	(86,146)
Impairment losses	-	(132)	-	(132)
Revaluation movement	-	48,612	-	48,612
Transfer from non-current assets held for sale	-	133	-	133
Transfer to non-current assets held for sale	(222)	(899)	(222)	(899)
Transfer to intangibles	-	-	(3)	-
Movement in work in progress	(10,864)	(47,428)	(10,274)	(47,453)
Property, plant and equipment - Closing balance	6,546,292	6,501,686	6,558,933	6,514,367

The movements according to the individual classes of assets are as follows:

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Operational assets				
Land				
Land - at cost - opening balance	-	3,081	-	6,172
Land - at valuation - opening balance	206,036	198,283	206,036	198,283
Total land - opening balance	206,036	201,364	206,036	204,455
Additions	-	4,222	-	4,222
Disposals	(2,205)	(1,356)	(2,205)	(4,447)
Revaluation movement	-	2,536	-	2,536
Transfer between asset classes	(500)	145	(500)	145
Transfer to non-current assets held for sale	-	(875)	-	(875)
Total land - closing balance	203,331	206,036	203,331	206,036
Land - at cost - closing balance	-	-	-	-
Land - at valuation - closing balance	203,331	206,036	203,331	206,036
Total land - closing balance	203,331	206,036	203,331	206,036
Buildings				
Buildings - at cost - opening balance	-	41,057	-	54,112
Buildings - at valuation - opening balance	547,704	369,665	547,704	369,665
Total cost/valuation	547,704	410,722	547,704	423,777
Accumulated depreciation	-	(26,115)	-	(28,169)
Total buildings - opening balance	547,704	384,607	547,704	395,608
Additions	60,906	130,694	60,906	130,694
Depreciation expense	(17,780)	(16,442)	(17,780)	(16,442)
Disposals	(485)	(56)	(485)	(11,057)
Revaluation movement	-	46,076	-	46,076
Transfer between asset classes	30	2,825	30	2,825
Total buildings - closing balance	590,375	547,704	590,375	547,704

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Buildings - at cost - closing balance	60,906	-	60,906	-
Buildings - at valuation - closing balance	547,282	547,704	547,282	547,704
Total cost/valuation	608,188	547,704	608,188	547,704
Accumulated depreciation	(17,813)	-	(17,813)	-
Total buildings - closing balance	590,375	547,704	590,375	547,704
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	3,930	3,635	3,930	3,635
Accumulated depreciation	(1,850)	(1,701)	(1,850)	(1,701)
Total landfill post closure costs - opening balance	2,080	1,934	2,080	1,934
Depreciation expense	(250)	(213)	(250)	(213)
Transfer between asset classes	-	(700)	-	(700)
Movement in post closure costs	(147)	1,059	(147)	1,059
Total landfill post closure costs - closing balance	1,683	2,080	1,683	2,080
Landfill post closure - at cost - closing balance	3,783	3,930	3,783	3,930
Accumulated depreciation	(2,100)	(1,850)	(2,100)	(1,850)
Total landfill post closure costs - closing balance	1,683	2,080	1,683	2,080
Civic Centre complex				
Civic Centre complex - at cost - opening balance	172,949	170,774	172,949	170,774
Accumulated depreciation	(53,065)	(50,259)	(53,065)	(50,259)
Total Civic Centre complex - opening balance	119,884	120,515	119,884	120,515
Additions	745	2,170	745	2,170
Transfer between asset classes	(3)	6	(3)	6
Depreciation expense	(2,866)	(2,807)	(2,866)	(2,807)
Total Civic Centre complex- closing balance	117,760	119,884	117,760	119,884
Civic Centre complex - at cost - closing balance	173,691	172,949	173,691	172,949
Accumulated depreciation	(55,931)	(53,065)	(55,931)	(53,065)
Total Civic Centre complex- closing balance	117,760	119,884	117,760	119,884
Plant and equipment				
Plant and equipment - at cost - opening balance	156,363	150,472	169,045	167,405
Accumulated depreciation	(74,512)	(68,257)	(79,448)	(73,514)
Total plant and equipment - opening balance	81,851	82,215	89,597	93,891
Additions	11,304	13,057	11,464	9,877
Depreciation expense	(10,243)	(10,779)	(10,994)	(11,529)
Disposals	(3,548)	(520)	(3,585)	(520)
Transfer between asset classes	(27)	(2,122)	(27)	(2,122)
Transfer to intangibles	-	-	(3)	-
Total plant and equipment - closing balance	79,337	81,851	86,452	89,597
Plant and equipment - at cost	157,065	156,363	169,867	169,045
Accumulated depreciation	(77,728)	(74,512)	(83,415)	(79,448)
Total plant and equipment - closing balance	79,337	81,851	86,452	89,597

1. The Council's share of the joint venture with Porirua City Council relating to the Spicer Valley Landfill is included in this asset class.

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Library collections				
Library collections - at cost - opening balance	1,977	-	1,977	-
Library collections - at valuation - opening balance	15,715	15,715	15,715	15,715
Total cost/valuation	17,692	15,715	17,692	15,715
Accumulated depreciation	(2,070)	-	(2,070)	-
Total library collections - opening balance	15,622	15,715	15,622	15,715
Additions	1,995	1,977	1,995	1,977
Depreciation expense	(2,307)	(2,070)	(2,307)	(2,070)
Revaluation movement	-	-	-	-
Total library collections - closing balance	15,310	15,622	15,310	15,622
Library collections - at cost - closing balance	3,972	1,977	3,972	1,977
Library collections - at valuation - closing balance	15,715	15,715	15,715	15,715
Total cost/valuation	19,687	17,692	19,687	17,692
Accumulated depreciation	(4,377)	(2,070)	(4,377)	(2,070)
Total library collections - closing balance	15,310	15,622	15,310	15,622
Total operational assets	1,007,796	973,177	1,014,911	980,923
Infrastructure assets				
Drainage, waste and water				
Drainage, waste and water - at cost - opening balance	46,755	-	46,755	-
Drainage, waste and water - at valuation - opening balance	1,350,574	1,365,199	1,350,574	1,365,199
Total cost/valuation	1,397,329	1,365,199	1,397,329	1,365,199
Accumulated depreciation	(33,222)	-	(33,222)	-
Total drainage, water and waste - opening balance	1,364,107	1,365,199	1,364,107	1,365,199
Additions	30,130	32,130	30,130	32,130
Depreciation expense	(33,176)	(33,222)	(33,176)	(33,222)
Total drainage, water and waste - closing balance	1,361,061	1,364,107	1,361,061	1,364,107
Drainage, waste and water - at cost - closing balance	76,885	46,755	76,885	46,755
Drainage, waste and water - at valuation - closing balance	1,350,574	1,350,574	1,350,574	1,350,574
Total cost/valuation	1,427,459	1,397,329	1,427,459	1,397,329
Accumulated depreciation	(66,398)	(33,222)	(66,398)	(33,222)
Total drainage, water and waste - closing balance	1,361,061	1,364,107	1,361,061	1,364,107
Roading				
Roading - at cost - opening balance	38,614	-	38,614	-
Roading - at valuation - opening balance	784,374	784,374	786,974	786,974
Total cost/valuation	822,988	784,374	825,588	786,974
Accumulated depreciation	(18,695)	-	(18,695)	-
Total roading - opening balance	804,293	784,374	806,893	786,974
Additions	38,613	38,614	38,613	38,614
Depreciation expense	(19,418)	(18,695)	(19,418)	(18,695)
Total roading - closing balance	823,488	804,293	826,088	806,893
Roading - at cost - closing balance	77,227	38,614	77,227	38,614
Roading - at valuation - closing balance	784,374	784,374	786,974	786,974
Total cost/valuation	861,601	822,988	864,201	825,588
Accumulated depreciation	(38,113)	(18,695)	(38,113)	(18,695)
Total roading - closing balance	823,488	804,293	826,088	806,893

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Infrastructure land				
Infrastructure land - at cost - opening balance	-	-	-	-
Infrastructure land - at valuation - opening balance	36,447	36,447	36,447	36,447
Total infrastructure land - opening balance	36,447	36,447	36,447	36,447
Disposal	(370)	-	(370)	-
Total infrastructure land - closing balance	36,077	36,447	36,077	36,447
Infrastructure land - at cost - closing balance	-	-	-	-
Infrastructure land - at valuation - closing balance	36,077	36,447	36,077	36,447
Total infrastructure land - closing balance	36,077	36,447	36,077	36,447
Land under roads				
Land under roads - at cost - opening balance	2,944,770	2,944,639	2,944,770	2,944,639
Additions	3,117	158	3,117	158
Disposals	(88)	(4)	(88)	(4)
Impairment	-	(132)	-	(132)
Transfer between asset classes	360	-	360	-
Transfer from non-current assets held for sale	-	133	-	133
Transfer to non-current assets held for sale	(222)	(24)	(222)	(24)
Land under roads - closing balance	2,947,937	2,944,770	2,947,937	2,944,770
Total infrastructure assets	5,168,563	5,149,617	5,171,163	5,152,217
Restricted assets				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,731	8,382	11,066	10,718
Additions	548	421	549	420
Transfer between asset classes	-	(72)	-	(72)
Art and cultural assets - closing balance	9,279	8,731	11,615	11,066
Restricted buildings				
Restricted buildings - at cost - opening balance	33,175	32,820	33,175	32,820
Accumulated depreciation	(5,766)	(4,615)	(5,766)	(4,615)
Total restricted buildings - opening balance	27,409	28,205	27,409	28,205
Additions	1,981	454	1,981	454
Depreciation expense	(1,240)	(1,168)	(1,240)	(1,168)
Disposals	(111)	-	(111)	-
Transfer between asset classes	-	(82)	-	(82)
Restricted buildings - closing balance	28,039	27,409	28,039	27,409
Restricted buildings - at cost - closing balance	34,832	33,175	34,832	33,175
Accumulated depreciation	(6,793)	(5,766)	(6,793)	(5,766)
Total restricted buildings - closing balance	28,039	27,409	28,039	27,409
Parks and reserves				
Parks and reserves - at cost - opening balance	204,516	203,234	204,516	203,234
Additions	603	1,282	603	1,282
Disposals	(16)	-	(16)	-
Transfer between asset classes	3,699	-	3,699	-
Parks and reserves - closing balance	208,802	204,516	208,802	204,516

Disposals and transfers are reported net of accumulated depreciation

Note 18: Property, plant and equipment - continued

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Town Belt - at cost	88,103	88,103	88,103	88,103
Transfer between asset classes	(3,559)	-	(3,559)	-
Total restricted buildings - closing balance	84,544	88,103	84,544	88,103
Zoo animals - at cost	500	500	500	500
Total restricted assets	331,164	329,259	333,500	331,594
Work in progress				
- Land	53	460	53	460
- Buildings	13,881	33,873	13,881	33,873
- Civic Centre complex	5,835	1,226	5,835	1,226
- Plant and equipment	13,354	9,416	13,944	9,416
- Drainage, waste and water	457	381	457	381
- Roothing	4,840	1,854	4,840	1,854
- Art and cultural	173	326	173	326
- Restricted buildings	176	2,097	176	2,097
Total work in progress	38,769	49,633	39,359	49,633
Total property, plant and equipment	6,546,292	6,501,686	6,558,933	6,514,367

Revaluation of property, plant and equipment

The Council's operational land and buildings were valued as at 30 June 2012, and infrastructural land as at 30 June 2011 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited.

Library collections were valued as at 30 June 2011 by the Council's library staff. The revaluation was carried out in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets* published by the Treasury Accounting Team, November 2002. An independent peer review was conducted by Michaela O'Donovan, Manager Service Design and Implementation, National Library of New Zealand.

Drainage, waste and water infrastructure and the roading network were valued as at 30 June 2011 by John Vessey (MIPENZ), Partner of Opus International Consultants Limited.

In the years which an asset class is not revalued, the Group assesses whether there has been any material change in the value of that asset class. The movement in asset values between 30 June 2012 and 30 June 2013 for the Roads, Water and Library asset classes were assessed using appropriate indices. The increase in asset value of 1.6% was not considered material by management and accordingly the assets were not revalued at 30 June 2013.

Further information on revaluation reserves and movements is contained in Note 25: Revaluation reserves.

Finance leases

The net carrying amount of plant and equipment assets held the Council under finance leases is \$0.906m (2012: \$1.242m).

Note 18: Property, plant and equipment - continued**Service concession arrangement**

The Moa Point sewerage treatment plant is owned by the Council and operated by Veolia Water under a design, build and operate contract. Veolia Water also operates the Council owned Western (Karori) and Carey's Gully treatment plants. The plants and building assets are included in the drainage, waste and water asset class above.

Veolia Water is required to fund all renewals and repairs and return the plants to the Council in 2020 with a future life expectancy of at least 25 years.

As asset owner, the Council incurs all associated operating expenses, namely management fees, depreciation and finance costs. In accordance with section 100 of the Local Government Act 2002, the Council does not fully fund the plant's depreciation expenditure.

Veolia's monthly management fee is determined in accordance with annually adjusted tariffs. The contract terminates either on the expiry of the 25 year term (2020) or on the occurrence of a contract default event by either party. The contract's right of renewal resides with the Council.

Note 19: Trade and other payables

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Trade payables and accruals		42,875	41,667	47,118	45,834
Trade payables owing to related parties					
- Subsidiaries	42	980	1,344	-	-
- Associates	42	712	677	712	677
Interest payable		2,826	2,759	2,826	2,759
Sundry payables		11,182	7,400	12,326	8,075
Total trade and other payables		58,575	53,847	62,982	57,345
represented by:					
Current		57,945	53,217	62,352	56,715
Non-current		630	630	630	630
Total trade and other payables		58,575	53,847	62,982	57,345

Trade payables are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date.

Note 20: Revenue in advance

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Inspection and licensing fees	2,392	2,733	2,392	2,733
Lease rentals	2,584	2,667	2,584	2,667
Rates and water	1,457	1,152	1,457	1,152
Indoor Community Sports Centre	2,043	2,342	2,043	2,342
Wellington Venues	1,270	1,212	1,270	1,212
Revenue in advance - subsidiaries	-	-	487	754
Other	1,659	1,783	1,659	1,783
Total revenue in advance	11,405	11,889	11,892	12,643

Note 21: Borrowings

The Council maintains a prudent borrowings position in relation to our equity and annual income. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and Long-Term Plan processes.

Net Borrowings

The following table offsets current (12 months or less) investment deposits held against the gross borrowings to obtain a net borrowings position.

Net borrowings	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Total gross borrowing and overdraft facilities utilised		388,330	361,618	388,340	361,631
Less					
Cash and cash equivalents	10	(44,389)	(22,622)	(50,518)	(26,912)
Bank deposits - term (3-12 months)	13	-	-	(400)	(1,520)
Total net borrowings		343,941	338,996	337,422	333,199

Further discussion and illustration of the net borrowing and investment position is included in the Financial Overview on page XX

The gross borrowings are comprised as follows:

Gross borrowings	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current				
Bank facilities - short term - committed	-	2,000	-	2,000
Commercial paper	100,000	100,000	100,000	100,000
Debt securities - fixed rate bonds	25,000	9,000	25,000	9,000
Debt securities - floating rate notes	30,000	18,000	30,000	18,000
Finance leases	562	572	565	574
Total current	155,562	129,572	155,565	129,574
Non-current				
Bank loans - term	3,035	1,242	3,035	1,242
Debt securities - fixed rate bonds	15,409	36,057	15,409	36,057
Debt securities - floating rate notes	214,000	194,000	214,000	194,000
Finance leases	324	747	331	758
Total non-current	232,768	232,046	232,775	232,057
Total borrowings	388,330	361,618	388,340	361,631

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity dates and to ensure there is long term access to funds. Further information on the liquidity and market risks associated with borrowings is contained in Note 31: Financial instruments.

Note 21: Borrowings - continued

Bank facilities

A total of \$145m (2012: \$155m) of committed bank facilities is available to the Council. Some \$55m is on a short term basis of less than one year and \$90m for longer than one year. Interest is payable in arrears at wholesale market rates. A further \$5m (2012: \$5m) is available as an uncommitted facility with interest payable in arrears at wholesale market rates. Of these facilities, none were drawn at the end of the reporting period (2012: \$2m).

Bank loans – term

Loans for the Council relate to the wastewater treatment plant joint venture with Porirua City Council, and comprise several individual loans totalling \$3.035m (2012: \$1.242m) with maturities from 2015 to 2036. The average effective interest rate applicable is 7.00%

Commercial paper

The Group has issued \$100m of commercial paper with maturities of three months or less. The interest is paid on issue. The interest rates range from 2.69% to 2.87%.

Debt securities

The Group has issued \$40m (2012: \$44m) of fixed rate bonds with maturities from 31 March 2014 to 17 January 2020. Interest is payable six monthly in arrears. The interest rates range from 4.47% to 7.13%. The value of fixed rate debt securities includes a fair value hedge adjustment of \$0.409m (2012: \$1.057m) relating to the fair value interest rate swaps associated with these bonds.

The Group has issued \$244m (2012: \$212m) of floating rate notes with maturities from 30 September 2013 to 2 August 2019. Interest is payable quarterly in arrears. The interest rates vary from 2.76% to 4.15% and are subject to quarterly reset dates.

Note 21: Borrowings - continued

The following table shows the total borrowing facilities available to the Council and Group, and the use of these facilities at the end of the reporting period.

Gross borrowing and overdraft facilities	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Borrowing and overdraft facilities available				
Bank facilities - short term - committed	55,000	55,000	55,000	55,000
Bank facilities - long term - committed	90,000	100,000	90,000	100,000
Bank facilities - short term - uncommitted	5,000	5,000	5,000	5,000
Bank loans - term	3,035	1,242	3,035	1,242
Bank overdraft	1,500	1,500	1,550	1,550
Commercial paper	100,000	100,000	100,000	100,000
Debt securities - fixed rate bonds	40,409	45,057	40,409	45,057
Debt securities - floating rate notes	244,000	212,000	244,000	212,000
Finance leases	886	1,319	896	1,332
Total gross borrowing and overdraft facilities available	539,830	521,118	539,890	521,181
Gross borrowing and overdraft facilities utilised				
Bank facilities - short term - committed	-	2,000	-	2,000
Bank loans - term	3,035	1,242	3,035	1,242
Commercial paper	100,000	100,000	100,000	100,000
Debt securities - fixed rate bonds	40,409	45,057	40,409	45,057
Debt securities - floating rate notes	244,000	212,000	244,000	212,000
Finance leases	886	1,319	896	1,332
Total gross borrowing and overdraft facilities utilised	388,330	361,618	388,340	361,631
Gross borrowing and overdraft facilities unutilised				
Bank facilities - short term - committed	55,000	53,000	55,000	53,000
Bank facilities - long term - committed	90,000	100,000	90,000	100,000
Bank facilities - short term - uncommitted	5,000	5,000	5,000	5,000
Bank overdraft	1,500	1,500	1,550	1,550
Total gross borrowing and overdraft facilities unutilised	151,500	159,500	151,550	159,550

Bank overdraft

An overdraft facility of \$1.500m (2012: \$1.500m) is available to Council. This facility was undrawn as at 30 June 2013 (2012: undrawn). The Group has additional overdraft facilities of \$0.050m (2012: \$0.050m).

Security

Council borrowings are secured by way of a Debenture Trust Deed over the Council's rates revenue.

Internal Borrowings

Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

Note 21: Borrowings - continued**Ring fenced funds**

The Council holds \$15.442m (2012: \$8.738m) of cash that may only be used for a specified purpose; this amount has been offset against borrowings. As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$13.059m (2012: \$7.700m), representing the accumulated cash surpluses from the Housing activity, has been ring fenced for future investment in the Council's social housing assets. There is also an amount of \$2.383m (2012: \$1.038m) related to accumulated cash surpluses from the Waste Reduction and Energy Conservation activity which, under the Waste Minimisation Act 2008, must be ring fenced for future investment in waste activities.

Finance lease liabilities

The Group has entered into finance leases for items of plant and equipment, predominantly computer equipment. The net carrying amount of the leased items is included within plant and equipment shown in Note 18: Property, plant and equipment.

The finance leases can be renewed at the Group's option, with rentals set by reference to current market rates for items of equivalent age and condition. The Group does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on the Group by any of the finance leasing arrangements.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The finance lease liabilities are analysed as follows:

Analysis of finance lease liabilities	Council		Group	
	2013	2012	2013	2012
	\$000	\$000	\$000	\$000
Future minimum lease payments				
Not later than one year	596	634	600	638
Later than one year and not later than five years	336	793	344	805
Later than five years	-	-	-	-
Total future minimum lease payments	932	1,427	944	1,443
Future finance charges	(46)	(108)	(48)	(111)
Present value of future minimum lease payments	886	1,319	896	1,332
Present value of future minimum lease payments				
Not later than one year	562	572	565	574
Later than one year and not later than five years	324	747	331	758
Later than five years	-	-	-	-
Total present value of future minimum lease payments	886	1,319	896	1,332

Note 22: Employee benefit liabilities and provisions

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current				
Short-term benefits				
Payroll accruals	459	417	793	743
Holiday leave	4,525	4,992	5,481	5,964
Total short-term benefits	4,984	5,409	6,274	6,707
Termination benefits				
Other contractual provisions	714	1,229	714	1,229
Total termination benefits	714	1,229	714	1,229
Total current	5,698	6,638	6,988	7,936
Non-current				
Long-term benefits				
Long service leave provision	-	-	78	101
Retirement gratuities provision	1,474	1,649	1,486	1,699
Total long-term benefits	1,474	1,649	1,564	1,800
Total employee benefit liabilities and provisions	7,172	8,287	8,552	9,736

Movements in the above short term and long term benefit provisions are analysed as follows:

Long service leave provision	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	-	-	101	118
Additional or increased provision made	-	-	-	-
Release of provision	-	-	-	(17)
Amount utilised	-	-	(23)	-
Long service leave - closing balance	-	-	78	101

Note 22: Employee benefit liabilities and provisions - continued

Retirement gratuities provision	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	1,649	1,600	1,699	1,648
Movement in required provision	(23)	3	(23)	5
Release of unused provision	(170)	(14)	(182)	(14)
Rediscounting of interest	102	100	102	100
Amount utilised	(84)	(40)	(110)	(40)
Retirement gratuities - closing balance	1,474	1,649	1,486	1,699

Background

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years service, will on retirement be entitled to a payment based on years of service and current salary. This entitlement has not been offered to Council employees since 1991. Based on the age of remaining participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Estimation

The gross retirement gratuities provision (inflation adjusted at 2.30%) as at 30 June 2013, before discounting, is \$2.093m (2012: \$2.360m). The discount rate used is 6.50%.

Movements in the above termination benefits provision is analysed as follows:

Other contractual provisions	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	1,229	373	1,229	373
New provision	714	1,229	714	1,229
Release of unused provision	(463)	(11)	(463)	(11)
Amount utilised	(766)	(362)	(766)	(362)
Other contractual provisions - closing balance	714	1,229	714	1,229

Background

The above provision is to cover estimated redundancy costs as at 30 June 2013 resulting from the current restructuring of the Council.

Note 23: Provision for other liabilities

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Current				
ACC Partnership programme	20	10	20	10
Landfill post closure costs	3,322	4,509	3,322	4,509
Storm costs	855	-	855	-
Weathertight homes	30,304	27,690	30,304	27,690
Total current	34,501	32,209	34,501	32,209
Non-current				
Landfill post closure costs	13,027	12,708	13,027	12,708
Weathertight homes	36,675	28,367	36,675	28,367
Total non-current	49,702	41,075	49,702	41,075
Total provision for other liabilities	84,203	73,284	84,203	73,284

Movements in the above provisions for other liabilities are analysed as follows:

ACC Partnership programme	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	10	133	10	133
Change in provision for risks incurred	96	(5)	96	(5)
Amounts utilised	(86)	(118)	(86)	(118)
Total liability for claims outstanding	20	10	20	10
Represented by:				
Present value of future payments	17	9	17	9
Risk margin	3	1	3	1
Total liability for claims outstanding	20	10	20	10

Background

The Council is a member of the Accident Compensation Corporation (ACC) partnership programme. The Council acts as an agent on behalf of ACC managing claims for its employees and providing entitlements under the Accident Insurance Act 1998 in relation to work-related personal injuries and illnesses.

Estimation

This provision represents an estimate of the claims outstanding at the end of the reporting period together with an estimate of the claims incurred but not yet reported.

Note 23: Provision for other liabilities - continued

Landfill post closure costs	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	17,217	16,830	17,217	16,830
Additional or increased provision made	29	1,011	29	1,011
Release of provision	(1,550)	(957)	(1,550)	(957)
Re-discounting of interest	1,069	1,129	1,069	1,129
Amount utilised	(416)	(796)	(416)	(796)
Landfill post closure costs - closing balance	16,349	17,217	16,349	17,217

Background

The Council operates the Southern Landfill (Stage 3) and has a 21.5% joint venture interest in the Spicer Valley Landfill. It also manages a number of closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- final cover application and vegetation;
- incremental drainage control features; and
- completing facilities for post closure responsibilities.

Post closure responsibilities include:

- treatment and monitoring of leachate;
- ground water and surface monitoring;
- gas monitoring and recovery;
- implementation of remedial measures such as needed for cover and control systems; and
- ongoing site maintenance for drainage systems, final cover and vegetation.

The management of the landfill will influence the timing of recognition of some liabilities – for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

Estimations

The long term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Future cashflows are discounted using the rate of 6.50%. The gross provision (inflation adjusted at 2.80%), before discounting, is \$24.505m as at 30 June 2013 (2012: \$28.630m). This represents the Council's projection of the amount required to settle the obligation at the estimated time of the cash outflow.

Stage 3 of the Southern Landfill has an estimated remaining capacity of 658,051m³ (2012: 751,160m³) and is expected to close in 2018. These estimates have been made by the Council's engineers based on expected future and historical volume information.

The Council's provision includes a proportionate share of the Spicer Valley Landfill provision for post closure costs. The Spicer Valley Landfill has an estimated remaining capacity of 589,000m³ (2012: 620,000m³) and an estimated remaining life out to the end of 2022.

Storm costs	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	855	-	855	-

Background

Following a severe storm in June 2013 a provision has been made for an estimate of the associated clean-up costs not covered through the self insurance reserve fund.

Note 23: Provision for other liabilities - continued

Weathertight homes	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	56,057	50,864	56,057	50,864
Additional or increased provision made	14,965	9,903	14,965	9,903
Amount utilised	(4,043)	(4,710)	(4,043)	(4,710)
Weathertight homes - closing balance	66,979	56,057	66,979	56,057

Background

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. The provision also includes an amount of \$7.739m (2012: \$8.933m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Estimation

The Council has provided for the expected future costs of reported claims. The provision for active claims is based on the best estimate of the Council's expected future costs to settle these claims and is reviewed on a case by case basis. The estimate for claims which have been notified and are not yet actively managed and unreported claims is based on actuarial assessments and other information on these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future. This represents the Council's best estimate of the amount required to settle the obligation at the estimated time of the cash outflow. Future cashflows are inflation adjusted and discounted using an applicable discount rate. The provision is net of any third-party contributions including insurance, where applicable.

The provision is based on best estimates and actuarial assessments and therefore actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported.

The significant assumptions used in the calculation of the weathertight homes provision are as follows:

Amount claimed

Represents the expected amount claimed by the homeowner and is based on the actual amounts for claims already settled.

Settlement amount

Represents the expected amount of awarded settlement and is based on the actual amounts for claims already settled.

Amount expected to be paid by the Council

Represents the amount expected to be paid by the Council out of any awarded settlement amount and is based on the actual amounts for claims already settled. This figure has been increasing over the last few years as it is becoming more common for the other parties involved in a claim to be either in liquidation or bankrupt, or have limited funds and be unable to contribute to settlement.

Timing of claim payments

Represents the expected timing of claim payments based on the expected length of time it takes to settle claims. This assumption is based on experience and the actual timings for claims already settled.

Note 23: Provision for other liabilities - continued**Participation in Financial Assistance Package scheme**

The provision for 2013 includes certain actuarial assumptions around the Government's Financial Assistance Package (FAP). This assumption is based on actual and expected participation rates in the scheme.

Percentage of homeowners who will make a successful claim

Historical data collected on the number of claims lodged has enabled assumptions to be made on the percentage of homes built in the last 10 years which may experience weathertightness problems and therefore the percentage of homeowner who may make a successful claim.

The table below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

Council and Group	2013 \$000	
Assumption	+10%	-10%
	Effect on Surplus or Deficit	
Amount claimed	5,438	(5,439)
Settlement level award	5,438	(5,439)
Council contribution to settlement	5,438	(5,439)
Timing of claim payments	285	(213)
Participation in FAP scheme	(2,949)	2,949
Percentage of homeowners who will make a successful claim	774	(774)

Council and Group	2013 \$000	
Assumption	+2%	-2%
	Effect on Surplus or Deficit	
Discount rate	(1,894)	2,444

Funding of weathertight homes settlements

Weathertight homes settlements are funded initially through borrowings. To repay those borrowings, the Council has agreed to incrementally increase rates by 0.75% per annum until such time as the weathertight homes liability has been settled and the associated borrowings and funding costs are repaid. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

Funding for weathertight homes liability	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	(2,562)	-	(2,562)	-
Funding for weathertight homes liability	3,331	2,221	3,331	2,221
Total amounts paid	(4,043)	(4,711)	(4,043)	(4,711)
Interest allocation	(168)	(72)	(168)	(72)
Closing balance funded through borrowings	(3,442)	(2,562)	(3,442)	(2,562)

Note 24: Accumulated funds and retained earnings

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Accumulated funds		1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings					
Opening balance		3,628,545	3,550,373	3,650,181	3,597,367
Net surplus		28,187	62,186	30,442	49,962
Adjustment for wind-up of St James	40	-	14,577	-	-
Adjustment for disposal by associate	41	-	-	-	1,745
Transfers from revaluation reserves	25	370	25	370	25
Transfers from restricted funds	28	813	1,901	1,293	2,355
Transfers to restricted funds	28	(4,072)	(517)	(4,639)	(1,273)
Retained earnings - closing balance		3,653,843	3,628,545	3,677,647	3,650,181
Total accumulated funds and retained earnings		4,922,977	4,897,679	4,970,809	4,943,343

Note 25: Revaluation reserves

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Land - opening balance	144,672	142,136	144,672	142,136
Revaluation recognised in other comprehensive income	-	2,536	-	2,536
Transfer to retained earnings on disposal of assets	(370)	-	(370)	-
Land - closing balance	144,302	144,672	144,302	144,672
Buildings - opening balance	240,462	194,411	240,462	194,411
Revaluation recognised in other comprehensive income	-	46,076	-	46,076
Transfer to retained earnings on disposal of assets	-	(25)	-	(25)
Buildings - closing balance	240,462	240,462	240,462	240,462
Library collections - opening balance	7,147	7,147	7,147	7,147
Revaluation recognised in other comprehensive income	-	-	-	-
Library collections - closing balance	7,147	7,147	7,147	7,147
Drainage, waste and water - opening balance	641,549	641,549	641,549	641,549
Revaluation recognised in other comprehensive income	-	-	-	-
Drainage, waste and water - closing balance	641,549	641,549	641,549	641,549
Infrastructure land - opening balance	13,347	13,347	13,347	13,347
Revaluation recognised in other comprehensive income	-	-	-	-
Infrastructure land - closing balance	13,347	13,347	13,347	13,347
Roading - opening balance	370,516	370,516	372,389	372,389
Revaluation recognised in other comprehensive income	-	-	-	-
Roading - closing balance	370,516	370,516	372,389	372,389
Associates' revaluation reserves - opening balance	-	-	109,934	76,497
Revaluation recognised in other comprehensive income	-	-	-	33,437
Effect of changed shareholding in Chaffers Marina Holdings Limited	-	-	-	-
Associates' revaluation reserves - closing balance	-	-	109,934	109,934
Total revaluation reserves	1,417,323	1,417,693	1,529,130	1,529,500
These revaluation reserves are represented by:				
Opening balance	1,417,693	1,369,106	1,529,500	1,447,476
Revaluation recognised in other comprehensive income	-	48,612	-	82,049
Effect of changed shareholding in Chaffers Marina Holdings Limited	-	-	-	-
Transfer to retained earnings on disposal of assets	(370)	(25)	(370)	(25)
Total revaluation reserves - closing balance	1,417,323	1,417,693	1,529,130	1,529,500

The revaluation reserves are used to record accumulated increases and decreases in the fair value of land, buildings, the library collection, and drainage, waste, water and roading assets.

Council did not have any assets revalued during the period ending 30 June 2013 as part of its normal revaluation cycle, except for investment properties as explained in Note 17: Investment properties.

Note 26: Hedging reserve

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	(23,896)	(9,173)	(24,050)	(10,399)
Cash flow hedge net movement recognised in other comprehensive income	14,104	(14,455)	14,104	(14,455)
Cash flow hedge movement reclassified to finance income	(163)	(268)	(163)	(268)
Cash flow hedge movement reclassified to share of equity accounted surplus of associate	-	-	153	1,072
Hedging reserve - closing balance	(9,955)	(23,896)	(9,956)	(24,050)

The hedging reserve shows accumulated fair value changes for interest rate swaps which satisfy the criteria for hedge accounting and have operated as effective hedges during the period. The Group includes the equity accounted net movement in the hedging reserve of our associate, Wellington International Airport Limited.

Note 27: Fair value through other comprehensive income reserve

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Opening balance	154	748	154	748
Fair value adjustment taken to other comprehensive income	(61)	(594)	(61)	(594)
Fair value through other comprehensive income - closing balance	93	154	93	154

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Assurance, for which there is no intention to sell. See Note 13: Other financial assets - for further information.

Note 28: Restricted funds

	Note	Council		Group	
		2013 \$000	2012 \$000	2013 \$000	2012 \$000
Special reserves and funds	29	17,553	14,288	20,240	16,888
Trusts and bequests	30	407	413	407	413
		17,960	14,701	20,647	17,301
Opening balance		14,701	16,085	17,301	18,383
Additional funds		4,072	517	4,639	1,273
Funds utilised		(813)	(1,901)	(1,293)	(2,355)
Closing balance		17,960	14,701	20,647	17,301

These funds are held by Council for specific purposes. More detailed information on the Council's restricted funds is disclosed in Note 29: Special reserves and funds and Note 30: Trusts and bequests.

Note 29: Special reserves and funds

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Wellington economic initiatives development fund				
Opening balance	-	-	-	-
Additional funds	3,000	-	3,000	-
Wellington economic initiatives development fund - closing balance	3,000	-	3,000	-
Reserve purchase and development fund				
Opening balance	299	1,199	299	1,199
Additional funds received	7	-	7	-
Funds utilised	(21)	(900)	(21)	(900)
Reserve purchase and development fund - closing balance	285	299	285	299
Early Settlers Memorial Park reserve				
Opening balance	23	44	23	44
Funds utilised	(20)	(21)	(20)	(21)
Early Settlers Memorial Park reserve - closing balance	3	23	3	23
Self insurance reserve				
Opening balance	9,723	10,138	9,723	10,138
Additional funds received	750	500	750	500
Funds utilised - net of recoveries	(451)	(915)	(451)	(915)
Self insurance reserve - closing balance	10,022	9,723	10,022	9,723
Subsidiaries' restricted funds				
Opening balance	-	-	2,600	2,298
Additional funds received	-	-	567	756
Funds utilised	-	-	(480)	(454)
Subsidiaries' restricted funds - closing balance	-	-	2,687	2,600
Subdivision development reserve	4,119	4,119	4,119	4,119
Other reserves	124	124	124	124
Total special reserves and funds - closing balance	17,553	14,288	20,240	16,888

Wellington economic initiatives development fund

This fund has been set up to be part of an integrated approach to fostering growth in the economy.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. The funds were utilised for the costs associated with the purchase of reserve land on Te Ahumairangi (Tinakori) Hill and the Kinnoull Station.

Early Settlers Memorial Park reserve

This reserve is used to upgrade and maintain the Bolton Street Cemetery and surrounding park and walkways.

Self-insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the uninsured portion of insurance claims. Annual additions to the reserve of \$0.750m (2012: \$0.500m) are funded through rates as identified in the Annual Plan.

Note 29: Special reserves and funds - continued**Subsidiaries' restricted funds**

The restricted funds of the subsidiaries relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has three reserves; a Capital Reserve, a Colonial Cottage Museum Collection reserve and a City and Sea Collection reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has a number of trust and bequests made, which are held as restricted funds until utilised.

Note 30: Trusts and bequests

Council	Opening Balance 2013 \$000	Additional Funds 2013 \$000	Funds Utilised 2013 \$000	Closing Balance 2013 \$000
A Graham Trust	2	1	-	3
A W Newton Bequest	272	14	-	286
Charles Plimmer Bequest	-	298	(298)	-
E A McMillan Estate	6	-	-	6
E Pengelly Bequest	11	1	-	12
F L Irvine Smith Memorial	6	-	-	6
Greek NZ Memorial Association	5	-	-	5
Kidsarus 2 Donation	3	-	-	3
Kirkcaldie and Stains Donation	17	-	-	17
Lewis Glover Bequest	-	-	-	-
QEII Memorial Book Fund	19	1	-	20
Schola Cantorum Trust	6	-	-	6
Stanley Banks Trust	31	-	(12)	19
Terawhiti Grant	10	-	-	10
W G Morrison Estate	11	-	(11)	-
Wellington Beautifying Society Bequest	14	-	-	14
Total trusts and bequests	413	315	(321)	407

Analysis of movements in trusts and bequests*Additional Funds*

Trusts and bequests receiving additional funds during the year were those where interest has been applied in accordance with the original terms and conditions.

Charles Plimmer - Distributions through the Public Trust recognised as income - \$298,000

Funds utilised

Trusts and bequests funds utilised during the year were:

- Charles Plimmer - to complete Point Dorset and initial work on the re-development of Grasslees Park in Tawa - \$298,000
- Stanley Banks - educational grants to children of WWII service personnel -\$ 12,000

Other than those specific trusts and bequests discussed above, the others are generally provided for library, educational or environmental purposes.

Note 31: Financial Instruments

The following tables provide an analysis of the Council's financial assets and financial liabilities by reporting category as described in the summary of accounting policies:

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	44,389	22,622	50,518	26,912
Trade and other receivables	49,556	54,333	52,047	56,216
Other financial assets	5,866	5,161	6,266	6,681
Total loans and receivables	99,811	82,116	108,831	89,809
Financial assets at fair value through other comprehensive income				
Other financial assets	2,503	2,681	2,903	4,201
Total financial assets at fair value through other comprehensive income	2,503	2,681	2,903	4,201
Hedged derivative financial instruments				
Derivatives designated as fair value hedges	3,689	1,057	3,689	1,057
Total hedged derivative financial instruments	3,689	1,057	3,689	1,057
Total financial assets	106,003	85,854	115,423	95,067
Total non-financial assets	6,805,315	6,753,683	6,965,931	6,911,297
Total assets	6,911,318	6,839,537	7,081,354	7,006,364
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	58,575	53,847	62,982	57,345
Borrowings	388,330	361,618	388,340	361,631
Total financial liabilities at amortised cost	446,905	415,465	451,322	418,976
Derivative financial instruments				
Derivatives designated as cash flow hedges	13,235	24,059	13,235	24,059
Total derivative financial instruments	13,235	24,059	13,235	24,059
Financial liabilities at fair value through surplus/deficit				
Derivative financial instruments	-	222	-	222
Total financial liabilities at fair value through surplus/deficit	-	222	-	222
Total financial liabilities	460,140	439,746	464,557	443,257
Total non-financial liabilities	102,780	93,460	106,074	96,859
Total liabilities	562,920	533,206	570,631	540,116

Note 31: Financial instruments - continued

Fair value

The fair values of all financial instruments equate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

- o **Level 1** - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- o **Level 2** - Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- o **Level 3** - Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

Council and Group	2013			2012		
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial assets						
Financial assets at fair value through other comprehensive income	-	-	2,503	-	-	2,681
Derivative financial instruments						
- Fair value hedges	-	409	-	-	1,057	-
- Cash flow hedges	-	3,280	-	-	-	-
Financial liabilities						
Derivative financial instruments						
- Cash flow hedges	-	13,235	-	-	24,059	-
- non-hedged swaps	-	-	-	-	222	-

Reconciliation of fair value movements in Level 3	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Financial assets at fair value through other comprehensive income				
- Equity investments				
Opening balance - 1 July	2,681	1,275	2,681	1,275
Purchases	-	2,000	-	2,000
Disposals	(117)	-	(117)	-
Gains or losses recognised in other comprehensive income	(61)	(594)	(61)	(594)
Closing balance - 30 June	2,503	2,681	2,503	2,681

Note 31: Financial instruments - continued

Financial risk management

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer Note 37: Contingencies). There is currently no liability recognised for these guarantees as the Group does not expect to be called upon for payment.

The Group's maximum exposure to credit risk at the end of the reporting period is:

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Financial instruments with credit risk				
Cash and cash equivalents	44,284	22,574	50,403	26,853
Derivative financial instrument assets	3,689	1,057	3,689	1,057
Trade and other receivables				
- Trade receivables	15,482	13,627	16,609	14,941
- Other receivables	34,074	40,706	35,438	41,275
Other financial assets				
- Bank deposits - term	-	-	400	1,520
- LGFA borrower notes	480	240	480	240
- Loans to related parties - associates	1,407	1,248	1,407	1,248
- Loans to related parties - other organisations	3,979	3,673	3,979	3,673
Financial guarantees to related parties	700	800	700	800
Total financial instruments with credit risk	104,095	83,925	113,105	91,607

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Council is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in Note 37: Contingencies.

Note 31: Financial instruments - continued

Credit quality of financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard and Poor's credit ratings.

Counterparties with credit ratings	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Cash - registered banks				
AA-	7,284	2,574	10,105	5,266
Short term deposits - registered banks				
AA-	36,000	20,000	38,970	21,587
A+	1,000	-	1,328	-
Term deposits - registered banks				
AA-	-	-	400	1,520
Term deposits - borrower notes - NZ LGFA				
AA+	480	240	480	240
Derivative financial instrument assets				
AA-	3,689	1,057	3,689	1,057

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group is able to access required funds.

Contractual maturity

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	224,791	192,578	229,832	196,079
1-2 years	39,429	65,023	38,804	65,027
2-5 years	176,441	154,421	176,444	154,430
More than 5 years	46,526	37,167	46,526	37,167
Total contractual cash flows of financial liabilities excluding derivatives	487,187	449,189	491,606	452,703
Represented by:				
Carrying amount as per the Statement of Financial Position	446,905	415,465	451,322	418,976
Future interest payable	40,282	33,724	40,284	33,727
Total contractual cash flows of financial liabilities excluding derivatives	487,187	449,189	491,606	452,703

Note 31: Financial instruments - continued

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Contractual cash flows of derivative financial liabilities				
0-12 months	6,612	6,894	6,612	6,894
1-2 years	4,310	5,946	4,310	5,946
2-5 years	3,998	11,304	3,998	11,304
More than 5 years	39	1,653	39	1,653
Total contractual cashflow of derivative financial liabilities	14,959	25,797	14,959	25,797
Represented by:				
Future interest payable	14,959	25,797	14,959	25,797
Total contractual cash flows of derivative financial liabilities	14,959	25,797	14,959	25,797

In addition to cash to be received in 2013/14 the Council currently has \$145m in unused committed bank facilities available to settle obligations as well as \$77.7m of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its obligations when they fall due. Information about this exposure is explained in Note 37: Contingencies.

The Council mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits:

Period	Minimum	Maximum	Actual
0 - 3 years	20%	60%	60%
3 - 5 years	20%	60%	21%
More than 5 years	15%	60%	19%

Market risk

Market risk is the risk that the value of an investment will decrease or a liability will increase due to changes in market conditions. The Group uses interest rate swaps in the ordinary course of business to manage interest rate risks. A Treasury Committee, headed by senior management personnel, provides oversight for financial risk management and derivative activities and ensures any activities are in line with the Liability Management Policy which is formally approved by the Council as part of the Long-Term Plan (LTP).

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will decrease due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing financial liabilities. The Group is risk averse and seeks to minimise exposure arising from its borrowing activities primarily by entering into interest rate swap arrangements to fix interest rates on its borrowings.

Note 31: Financial instruments - continued

The Group manages its cash flow interest rate risk by using interest rate swaps. These have the economic effect of converting borrowings from floating rates to fixed rates. The Council uses interest rate swaps to maintain a required ratio of borrowing between fixed and floating interest rates as specified in the liability management policy:

Minimum fixed rate	Maximum fixed rate	Actual % of fixed debt prior interest rate swaps	Actual % of fixed debt after interest rate swaps
50%	95%	12%	76%

The table below shows the effect of the interest rate swaps at reducing the Council's exposure to interest rate risk:

	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	44,389	22,622	50,518	26,912
Bank facilities - short term	-	(2,000)	-	(2,000)
Bank loans	(3,035)	(1,242)	(3,035)	(1,242)
Commercial paper	(100,000)	(100,000)	(100,000)	(100,000)
Debt securities - floating rate notes	(244,000)	(212,000)	(244,000)	(212,000)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(302,646)	(292,620)	(296,517)	(288,330)
Effect of interest rate swaps in reducing interest rate volatility				
Effect of fair value hedge	(25,000)	(34,000)	(25,000)	(34,000)
Effect of Cash flow interest rate swaps - hedged	277,000	290,000	277,000	290,000
Effect of Cash flow interest rate swaps - non-hedged	-	10,000	-	10,000
Total effect of interest rate swaps in reducing interest rate volatility	252,000	266,000	252,000	266,000
Total financial instruments subject to interest rate volatility - after effect of interest rate swaps	(50,646)	(26,620)	(44,517)	(22,330)

These interest rate swaps have a nominal value which represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements; instead the fair value of these interest rate swaps is recognised. This represents the difference between the current floating interest rate and the fixed swap interest rate. At 30 June 2013 the fair value of the interest rate swaps was -\$9.546m (2012: -\$23.224m). This liability will reduce to zero as the swaps reach the end of their lives, and therefore do not represent a liability that the Council will be required to pay cash to settle.

Given that the interest rate swaps have terms that match with the borrowings (short term bank facilities, commercial paper and debt securities), it is appropriate to include the effect of the interest rate swaps on the borrowings interest rate and present the net effective interest rates for the underlying borrowings:

Note 31: Financial instruments - continued

Weighted effective interest rates	Council		Group	
	2013 %	2012 %	2013 %	2012 %
Investments				
Cash and cash equivalents	3.18	3.45	3.17	3.24
Bank deposits - term	-	-	4.25	4.40
LGFA - borrower notes	3.35	3.37	3.35	3.37
Loans to related parties	-	-	-	-
Borrowings				
Bank facilities - short term	-	3.70	-	3.70
Bank loans	7.00	7.00	7.00	7.00
Commercial paper	2.78	2.81	2.78	2.81
Debt securities	3.50	4.05	3.50	4.05
Derivative financial instruments - hedged	5.00	5.01	5.00	5.01
Derivative financial instruments - non-hedged	-	6.31	-	6.31
Finance leases	10.28	10.32	10.29	10.34

Loans to related parties, being the loans to the Wellington Regional Stadium Trust and to the Karori Wildlife Sanctuary Trust, are both on interest free terms.

Sensitivity analysis

While the Council has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

The tables below illustrate the potential surplus and deficit impact of a 1% change in interest rates based on the Council's and the Group's exposures at the end of the reporting period:

Council		2013 \$000			
		+1%	-1%	+1%	-1%
Interest rate risk		Effect on Surplus or Deficit		Effect on Other Comprehensive Income	
	Note				
Financial assets					
Cash and cash equivalents - Council	a	444	(444)	-	-
LGFA - Borrower notes		5	(5)	-	-
Derivatives - Interest rate swaps - hedged	b	-	-	126	127
Financial liabilities					
Bank term loans		(30)	30	-	-
Commercial paper	c	(180)	180	-	-
Debt securities	d	(1,040)	1,040	-	-
Derivatives - Interest rate swaps - hedged	b	-	-	16,833	(18,046)
Total sensitivity to interest rate risk		(801)	801	16,959	(17,919)

a. Cash and cash equivalents

Council funds are in a number of different registered bank accounts with interest payable on the aggregation of all accounts. A movement in interest rates of plus or minus 1% has an effect on interest income of \$0.444m.

Note 31: Financial instruments - continued

b. Derivatives - interest rate swaps

Derivatives include interest rate swaps with a fair value totalling -\$9.546m. A movement in interest rates of plus 1% has an effect on increasing the unrealised value of the hedged interest rate swaps by \$16.959m. A movement in interest rates of minus 1% has an effect on reducing the unrealised value of the hedged interest rate swaps by \$17.919m.

c. Commercial paper

Commercial paper is part of a programme and subject to floating rates and totals \$100m. The full exposure to changes in interest rates has been reduced because the Council has \$82m of the debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.180m.

d. Debt securities

Debt securities at floating rates total \$244m. The full exposure to changes in interest rates has been reduced because the Council has \$195m of this debt at fixed rates through interest rate swaps. Debt securities at fixed rates total \$40m of which \$25m is subject to changes in interest rates as it has been swapped to floating through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$1.040m.

Equity management

The Group's equity includes accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive income reserve and restricted funds which comprise special funds, reserve funds and trusts and bequests.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Note 32: Analysis of operating surplus by strategic area

This analysis by strategic area is a summary of the “what it cost” information within the Statements of Service Performance. Refer to pages XX to XX for more detailed information including variance explanations in respect of the Council’s strategies and activities.

Operating Income and Expenditure

Council	Income		Expenditure		Net		Net Variance 2013 \$000
	Actual	Budget	Actual	Budget	Actual	Budget	
	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000	2013 \$000	
Strategic area							
Governance	475	384	14,993	15,287	(14,518)	(14,903)	385
Environment	21,732	14,897	140,030	140,022	(118,298)	(125,125)	6,827
Economic development	14,835	-	33,033	19,404	(18,198)	(19,404)	1,206
Cultural wellbeing	1,115	1,047	17,938	17,898	(16,823)	(16,851)	28
Social and recreation	63,707	70,642	96,694	97,468	(32,987)	(26,826)	(6,161)
Urban development	19,725	10,684	36,453	25,777	(16,728)	(15,093)	(1,635)
Transport	34,385	33,400	50,713	53,737	(16,328)	(20,337)	4,009
Total strategic areas	155,974	131,054	389,854	369,593	(233,880)	(238,539)	4,659
Council	290,441	285,552	28,374	9,587	262,067	275,965	(13,898)
Total strategic areas and Council	446,415	416,606	418,228	379,180	28,187	37,426	(9,239)

The variance in Governance is due to savings arising from personnel vacancies during the year.

The variance in Environment is due to the recognition of unbudgeted vested asset income (\$6.3m) for water, stormwater and sewerage pipes and fittings. The variance was also impacted by a favourable movement in the closed landfill provision offset by the need to provide for unbudgeted clean-up costs relating to the June storm.

The variance in Economic Development is due to the receipt of unbudgeted sub-tenant revenue upon the transition of St James Trust assets to Council, as well as lower depreciation than budgeted as a result of the 2011/12 asset revaluation process.

The variance in Social and Recreation is due to less capital funding being recognised as costs on the Berkeley Dallard flats upgrade are occurring later than anticipated in the budget. In addition we have received less revenue than expected particularly from swimming pools.

The variance in Urban Development relates to the unbudgeted \$3m contribution towards the National War Memorial Park as approved by Council on 26th September 2012 and the consolidation of Wellington Waterfront Project with an increase in depreciation and insurance costs.

The variance in Transport is due to the recognition of unbudgeted vested asset income (\$3.6m) for roading land, roads, footpaths and curb and channel. Depreciation for roading assets was also lower than budgeted (\$0.4m).

The variance in Council is due to a number of factors including a higher than budgeted Wellington International Airport Limited dividend income and commercial lease revenue received offset by reduced rates revenue and development contributions. There is also an increase in the provision for weathertight homes.

Other major operating income and expenditure budget variances are explained within Note 33: Major budget variations.

Note 32: Analysis of operating surplus by strategic areas - continued

Council	Income		Expenditure		Net		Net Variance 2012 \$000
	Actual	Budget	Actual	Budget	Actual	Budget	
	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	2012 \$000	
Strategic area							
Governance	459	398	15,211	15,998	(14,752)	(15,600)	848
Environment	23,136	13,091	136,433	133,295	(113,297)	(120,204)	6,907
Economic development	14,228	248	32,687	16,731	(18,459)	(16,483)	(1,976)
Cultural wellbeing	925	1,042	16,792	16,826	(15,867)	(15,784)	(83)
Social and recreation	81,223	78,030	97,933	97,367	(16,710)	(19,337)	2,627
Urban development	17,006	11,164	29,223	25,035	(12,217)	(13,871)	1,654
Transport	31,420	33,430	49,830	54,301	(18,410)	(20,871)	2,461
Total strategic areas	168,397	137,403	378,109	359,553	(209,712)	(222,150)	12,438
Council	296,935	281,427	25,037	8,129	271,898	273,298	(1,400)
Total strategic areas and Council	465,332	418,830	403,146	367,682	62,186	51,148	11,038

Due to a realignment of some activities within the above strategic areas the results for the 2012 year above have changed slightly from those previously published so that they are directly comparable with the 2013 results.

Note 33: Major budget variations

Statement of Comprehensive Financial Performance	Council 2013 \$000	Council 2012 \$000
Reconciliation of actual surplus to underlying surplus and variance to budget		
Council actual net surplus	28,187	62,186
Less:		
Fair value movements:		
Related party loans	-	1,002
Investment property revaluation	(5,385)	3,418
Other	(298)	(534)
Total fair value movements	(5,683)	3,886
Additional net expenditure from Wellington Waterfront and Venues Projects and Porirua Joint Ventures	6,764	3,678
Changes to external funding for capital expenditure:		
Restricted funds income	(72)	196
Decrease in development contributions revenue	644	2,319
Timing of the Housing New Zealand capital grant	6,513	(5,348)
Change in New Zealand Transport Agency reimbursement - capital	(139)	1,601
Additional external funding towards capital projects	(271)	(849)
Total changes to external funding for capital expenditure	6,675	(2,081)
Vested assets - income	(10,519)	(7,163)
Gain on disposal of assets	(360)	(6,701)
Loss on disposal of assets and intangible assets	1,487	230
Expenditure not funded under section 100 of LGA		
New Zealand Transport Agency funded transport projects	(31)	(1,772)
Moa Point Treatment Plant and Living Earth	(517)	(25)
Total additional expenditure not funded under section 100 of LGA	(548)	(1,797)
Underlying Council actual net surplus	26,003	52,238
less Council budget net surplus	37,426	51,148
Council underlying variance	(11,423)	1,090
Major Budget Variations		
Unbudgeted revenue/expenditure:		
Restatement of weathertight homes provision	(14,965)	(9,903)
Provision for storm costs	(855)	-
Insurance costs (net of recoveries) funded through self insurance reserve	(451)	(915)
Total unbudgeted revenue/expenditure	(16,271)	(10,818)
Significant variations from budget		
Dividends in excess of budget (including Wellington International Airport Limited)	1,624	13,138
Decrease in income from activities	(3,276)	(2,366)
Decrease in depreciation	2,820	507
Decrease in rates revenue	(2,228)	134
Decrease in net interest expense	1,997	986
Other net variances ¹	2,039	359
Total significant variations from budget	2,976	12,758
Council underlying variance excluding ringfenced amounts	(13,295)	1,940
Variance in ringfenced City Housing deficit	505	(1,581)
Variance in ringfenced Waste Activity surplus	1,367	731
Council underlying variance	(11,423)	1,090

1. Other net variances relate to other reduced costs in programmes, projects and organisational costs.

Note 33: Major budget variations - continued

Statement of Changes in Equity

Significant variations from budgeted changes in equity are as follows:

- \$9.239m of lower surplus in the current year,
- \$13.941m fair value increase in the hedging reserve.

- Total equity is \$18.981m higher than budgeted due to the \$4.702m of variations above, plus a \$13.908m higher opening position due to annual plan timing.

Statement of Financial Position

Significant variations from budget are as follows:

- Current assets are \$45.815m higher than budget primarily due to:

- difference in short-term deposits due to the timing of receipt of cash and repayment of commercial paper – \$19.500m,
- a higher level of cash due to differences in short term cash requirements, we aim to hold minimal cash balances and use all additional money received to either repay debt or put on deposit – \$5.169m,
- higher current receivables due to a movement of one large debtor between non-current and current – \$10.675m,
- higher prepayments largely due differences in the timing of when payments for insurance premiums were made compared to what was assumed in the budget – \$9.179m.

- Non-current assets are \$23.922m higher than budget primarily due to

- higher assets levels, both physical – \$12.954m and intangible – \$5.199m due to spend on our annual capital expenditure programme,
- higher other financial assets due to the investments in and with the LGFA – \$2.363m offset by a reduction in the fair value of the investment in Civic Insurance due to a reduction in its net asset balance – (\$0.655m),
- higher investment property values due to revaluations – \$2.209m,
- higher derivative values due to increases in interest rate valuation curves – \$2.005m.

- Total liabilities are \$50.756m higher than budget due to:

- changes in the maturity profile of our debt, as well as changes in the expected timing of weathertight home claim payments, that have resulted in most of the change in total liabilities being within current liabilities,
- changes in gross debt levels from budget due to underspends in the capital expenditure programme as well as a higher level of short-term deposits – \$14.662m,
- a significant increase in our provisions – \$33.844m, primarily relating to an increase in the expected total future settlements relating to weathertight homes.

Statement of Cash Flows

Significant variations from budget are as follows:

- Net cash flows from operating activities decreased by \$9.777m primarily due to higher payments to suppliers and employees - \$14.096m and grants paid - \$3.483m offset by increased revenue from activities and other income - \$10.670m,
- Net cash flows from investing activities decreased by \$35.533m primarily due to the decrease in the purchase of property, plant and equipment - \$29.314m.

Note 34: Analysis of capital expenditure by strategic area

This analysis reports capital expenditure performance against the approved budget contained within the Annual Plan by strategic area. The note reflects Wellington City Council capital expenditure only.

Council	Annual Plan Budget	Budget Brought Forward from	Total Capex Budget	Budget to Carry Forward to	Available Capex Budget	Actual Capex	Variance Net
	2013	2012	2013	2014	2013	2013	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Strategic area							
Governance	-	31	31	-	31	19	12
Environment	27,186	5,254	32,440	(5,467)	26,973	26,963	10
Economic development	5,494	1,736	7,230	(3,531)	3,699	3,313	386
Cultural wellbeing	40	-	40	-	40	10	30
Social and recreation	47,075	8,057	55,132	(13,239)	41,893	41,091	802
Urban development	9,545	2,979	12,524	(2,897)	9,627	11,726	(2,099)
Transport	32,258	8,473	40,731	(1,655)	39,076	39,803	(727)
Total strategic areas	121,598	26,530	148,128	(26,789)	121,339	122,925	(1,586)
Council	14,539	5,032	19,571	(5,954)	13,617	11,192	2,425
Total capital expenditure	136,137	31,562	167,699	(32,743)	134,956	134,117	839

Excluding additional expenditure funded from external sources:

Zoo Trust - Contribution	461
Trench Sharing - Wellington Electricity Lines Limited	109
Track Maintenance - Spicer Forest	99
The Nest Te Kōhanga - Zoo Trust	82
Town Belt Maintenance - Max Drake	50
Willis Street - Wellington Electricity Lines Limited	31
Ross Street - Wellington City Transport Limited	18
ASB Sports Centre - Four Winds	15
Karori Recreation Centre - Energy Efficiency and Conservation Authority	8
Minor funding for capital works	2
Total adjusted net variance	1,714

The capex variance of \$0.839m has been adjusted for additional external funding received over and above budget.

Budget to carry forward

Amounts committed for future expenditure at end of the reporting period from within these capital expenditure budget carry forwards have been included within Note 36: Commitments.

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the Local Government Act 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Performance.

Note 34: Analysis of capital expenditure by strategic area - continued

Council	Annual Plan Budget	Budget Brought Forward from 2011	Total Capex Budget 2012	Budget to Carry Forward to 2013	Available Capex Budget 2012	Actual Capex 2012	Variance Net 2012
	2012 \$000	2011 \$000	2012 \$000	2013 \$000	2012 \$000	2012 \$000	2012 \$000
Strategic area							
Governance	-	31	31	(31)	-	-	-
Environment*	30,610	4,208	34,818	(5,254)	29,564	30,716	(1,152)
Economic development	2,201	332	2,533	(1,736)	797	212	585
Cultural wellbeing	43	232	275	-	275	261	14
Social and recreation	58,967	9,287	68,254	(8,057)	60,197	66,063	(5,866)
Urban development	6,688	3,197	9,885	(2,979)	6,906	7,337	(431)
Transport	38,781	7,553	46,334	(8,473)	37,861	38,307	(446)
Total strategic areas	137,290	24,840	162,130	(26,530)	135,600	142,896	(7,296)
Council	16,230	3,839	20,069	(5,032)	15,037	11,324	3,713
Total capital expenditure	153,520	28,679	182,199	(31,562)	150,637	154,220	(3,583)

*The budget carry forward for 2011-12 includes a carry forward from 2008-09

Excluding additional expenditure funded from external sources:

Zoo Trust - Contribution	435
Housing Grant - accrued income	5,348
Waste Activity surplus for capital works	450
Khandallah Town Hall - Cornerstone Trust	157
Indoor Community Sports Centre - NZCT SPARC funding	940
Cobblestone Light Box - Victoria University	17
Willis Street - Citylink	131
Wakefield Park - Lotteries funding	200
Minor funding for capital works	12

Total adjusted net variance **4,107**

Note 35: Capital expenditure performance

Capital expenditure projects

The following analysis shows the actual capital expenditure against budget. Projects are classified according to the strategic area. Detailed commentaries on each strategic area, activity and the outcomes that they contribute towards are contained in the strategy area section of the Statements of Service Performance.

	Actual Expenditure ¹ 2013 \$000	Proposed Budget Carry Forward ² 2013 \$000	Total Forecast Expenditure 2013 \$000	Budget ³ 2013 \$000	Notes
Governance					
City governance and engagement	19	-	19	31	
Total Governance	19	-	19	31	
Environment					
Local parks and open spaces	894	551	1,445	1,476	
Botanical gardens	1,065	320	1,385	1,438	
Water network	12,170	397	12,567	12,387	
Sewage collection and disposal network	6,882	831	7,713	7,948	4
Stormwater management	2,564	1,208	3,772	3,792	
Conservation visitor attractions	2,144	1,177	3,321	3,240	
Other	1,244	983	2,227	2,159	
Total Environment	26,963	5,467	32,430	32,440	
Economic development					
Visitor attractions and Convention venues	3,313	3,531	6,844	7,230	5
Total Economic development	3,313	3,531	6,844	7,230	
Cultural Wellbeing					
Other	10	-	10	40	
Total Cultural wellbeing	10	-	10	40	
Social and recreation					
Swimming Pools	4,054	6,272	10,326	10,079	6
Sportsfields	1,375	34	1,409	1,413	
Libraries	1,995	-	1,995	1,993	
Housing	31,744	6,634	38,378	39,510	7
Public toilets	734	150	884	885	
Other	1,189	149	1,338	1,252	
Total Social and recreation	41,091	13,239	54,330	55,132	
Urban development					
Urban planning and policy	967	527	1,494	1,494	
Waterfront development	6,307	418	6,725	4,460	8
Public spaces and centres development	2,259	1,330	3,589	3,551	
Earthquake risk mitigation - built environment	2,193	622	2,815	3,019	9
Total Urban development	11,726	2,897	14,623	12,524	

- Actual capital expenditure consists of all expenditure 2012/13 including expenditure against carry forwards.
- Proposed budget carry forwards represent the portion of the project budget to be carried forward to future financial years.
- Budgets comprise 2012/13 Annual Plan budgets brought forward into 2012/13 from the previous financial period.
- Savings achieved on several sewer renewal projects, and a change in approach in addressing bypass flows has resulted in savings in costs relating to the earlier proposed UV treatment upgrade.
- Savings identified on deferred maintenance costs
- The cost of the new hydrotherapy pool at the Wellington Regional Aquatic Centre and the new teaching pool at the Karori pool were slightly ahead of budget.
- Savings on renewals and upgrade projects.
- In October 2012 Council approved an additional \$2.9m of capital spend for the strengthening of Shed 6 wharf.
- Savings relating to the Mayor's office relocation.

Note 35: Capital expenditure performance - continued

	Actual Expenditure ¹ 2013 \$000	Proposed Budget Carry Forward ² 2013 \$000	Total Forecast Expenditure 2013 \$000	Budget ³ 2013 \$000	Notes
Transport					
Vehicle network	27,675	1,465	29,140	28,327	10
Cycle network	1,353	190	1,543	1,543	
Passenger transport network	1,033	-	1,033	1,013	
Pedestrian network	4,674	-	4,674	4,811	
Network-wide control and management	2,526	-	2,526	2,519	
Road safety	2,542	-	2,542	2,518	
Total Transport	39,803	1,655	41,458	40,731	
Council					
Organisational projects including IT	11,192	5,954	17,146	19,571	
Total Council	11,192	5,954	17,146	19,571	
Total capital expenditure projects	134,117	32,743	166,860	167,699	

- Actual capital expenditure consists of all expenditure 2012/13 including expenditure against carry forwards.
- Proposed budget carry forwards represent the portion of the project budget to be carried forward to future financial years.
- Budgets comprise 2012/13 Annual Plan budgets brought forward into 2012/13 from the previous financial period.
- Increased costs on the Westchester Drive due to time delays experienced and required variations. Additional costs are offset by higher than budgeted external capital revenue received for the project in 2011/12.

Note 36: Commitments

Capital commitments	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Approved and contracted - property, plant and equipment	48,790	63,935	51,775	63,935
Approved and contracted - investment properties	35	6,940	35	6,940
Approved and contracted - intangibles	1,400	821	1,400	821
Approved and contracted - share of associates	-	-	5,745	2,400
Approved and contracted - share of joint ventures	-	-	-	-
Total capital commitments	50,225	71,696	58,955	74,096

The capital commitments above often span more than one financial year and includes the capital expenditure carried forward from Note 34: Analysis of capital expenditure by strategic area, which forms only part of the total commitments shown.

Note 36: Commitments - continued**Operating leases – Group as lessee**

The Group leases certain items of plant, equipment, land and buildings under various non-cancellable operating lease agreements.

The lease terms are between 2 and 21 years and the majority of the lease agreements are generally renewable at the end of the lease period at market rates.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 6: Expenditure on operating activities.

The future expenditure committed by these leases is analysed as follows:

Non-cancellable operating lease commitments as lessee	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Plant and equipment				
Not later than one year	22	194	154	345
Later than one year and not later than five years	8	17	172	219
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	981	1,909	1,263	2,328
Later than one year and not later than five years	2,135	3,763	2,392	4,218
Later than five years	1,398	1,760	1,398	1,760
Total non-cancellable operating lease commitments as lessee	4,544	7,643	5,379	8,870

Operating leases – Group as lessor

The Group has also entered into commercial property leases of its investment property portfolio and other land and buildings.

The land and buildings held for investment purposes are properties which are not held for operational purposes and are leased to external parties.

Ground leases are parcels of land owned by the Group in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The land and buildings not held for investment purposes are either used to accommodate the Group's operational activities or are held for purposes such as road widening, heritage, or are being monitored for compliance reasons. In some cases, parts of these assets are leased to external parties on a commercial basis. The terms of these commercial leases generally range from 1 to 15 years.

The committed revenues expected from these lease portfolios are analysed as follows:

Note 36: Commitments - continued

Non-cancellable operating lease commitments as lessor	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Investment properties				
Not later than one year	9,344	9,755	9,344	9,755
Later than one year and not later than five years	36,280	36,430	36,280	36,430
Later than five years	89,994	97,720	89,994	97,720
Land and buildings				
Not later than one year	2,158	4,848	1,070	3,787
Later than one year and not later than five years	4,246	9,326	1,045	5,115
Later than five years	4,150	11,238	4,150	11,146
Total non-cancellable operating lease commitments as lessor	146,172	169,317	141,883	163,953

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

The Council has commitments to its subsidiaries and associates only to the extent of the expenditure approved in the Long-Term Plan for the period ending 30 June 2014. Other expenditure approved as part of the Long-Term Plan for the period from 1 July 2014 to 30 June 2022 is subject to change and approval each year through the Annual Plan.

Council	2013/14 Annual Plan \$000	2015-2022 LTP \$000	Total \$000
Subsidiaries			
Wellington Waterfront	1,076	8,605	9,680
Wellington Zoo Trust	2,715	22,392	25,107
Wellington Museums Trust	7,710	61,682	69,392
Positively Wellington Tourism	7,375	56,041	63,416
Carter Observatory	300	2,400	2,700
Wellington Venues	-	819	819
Total subsidiary commitments	19,176	151,939	171,115
Associates			
Basin Reserve Trust	355	2,840	3,195
Total associate commitments	355	2,840	3,195
Other related parties			
Karori Wildlife Sanctuary Trust	875	875	1,750
Total other related party commitments	875	875	1,750
Total related party commitments	20,406	155,654	176,060

Note 37: Contingencies

Contingent liabilities	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Financial guarantees to community groups	700	800	700	800
Uncalled capital - LGFA	1,883	2,000	1,883	2,000
Other legal proceedings	172	280	172	280
Share of associates' contingent liabilities	-	-	-	-
Share of joint ventures' contingent liabilities	-	-	-	-
Total contingent liabilities	2,755	3,080	2,755	3,080

The financial guarantees to community groups above are analysed below:

Outstanding debt subject to Council guarantees	Council		Group	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Karori Wildlife Sanctuary Trust	700	800	700	800
Total outstanding debt subject to Council guarantees	700	800	700	800

Karori Wildlife Sanctuary Trust (Zealandia)

The Council has provided a guarantee over a term loan facility to a maximum limit of \$1.550m plus any outstanding interest and enforcement costs.

NZ Local Government Funding Agency Limited (LGFA)

Council is one of 30 local authority shareholders and 8 local authority guarantors of the LGFA. In that regard Council has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2013, LGFA had borrowings totalling \$2,422m (2012: \$835m).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that we are not aware of any local authority debt default events in New Zealand; and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to Council is anticipated to be less than \$0.172m.

Unquantified contingent liabilities

The Government's Weathertight Homes Financial Assistance Package aims to help people get their non-weathertight homes fixed faster, and centres on the Government and local authorities each contributing 25% of agreed repair costs and affected homeowners funding the remaining 50% backed by a Government loan guarantee. The impact that this package will have on future claim numbers and the quantum of those claims remains unknown at this stage since the scheme is still in its early stage. A provision for known claims and future claims has been made (refer Note 23: Provisions for other liabilities), but there may be an uplift in the number of claims as a result of the Government package. The impact and cost of this potential uplift in claims is unknown at this stage and cannot be measured reliably and therefore the Council and Group have an unquantified contingent liability.

Note 37: Contingencies - continued

On 11 October 2012 the Supreme Court of New Zealand released a decision clarifying that councils owe a duty of care when approving plans and inspecting construction of a building which was not purely a residential building. The Court held that there was no principled basis for distinguishing between the liability of those who played a role in the construction of residential buildings as against the construction of non-residential buildings. This extends the scope of the potential liability for the Council to include non-residential buildings consented under the Building Act 1991.

Through the process of working with our actuaries, it has been identified that due to a lack of historical and current information relating to non-residential building claims, a reliable estimate of any potential liability cannot be quantified at this time.

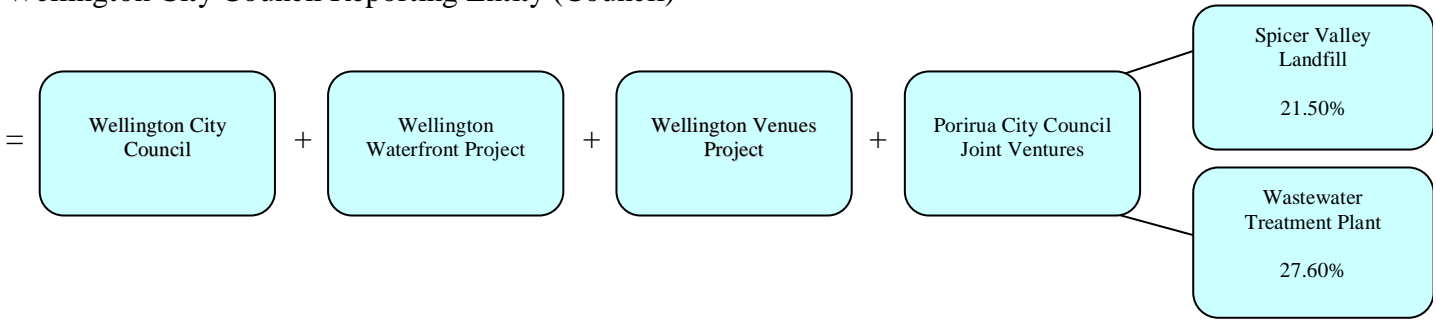
There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

Contingent assets

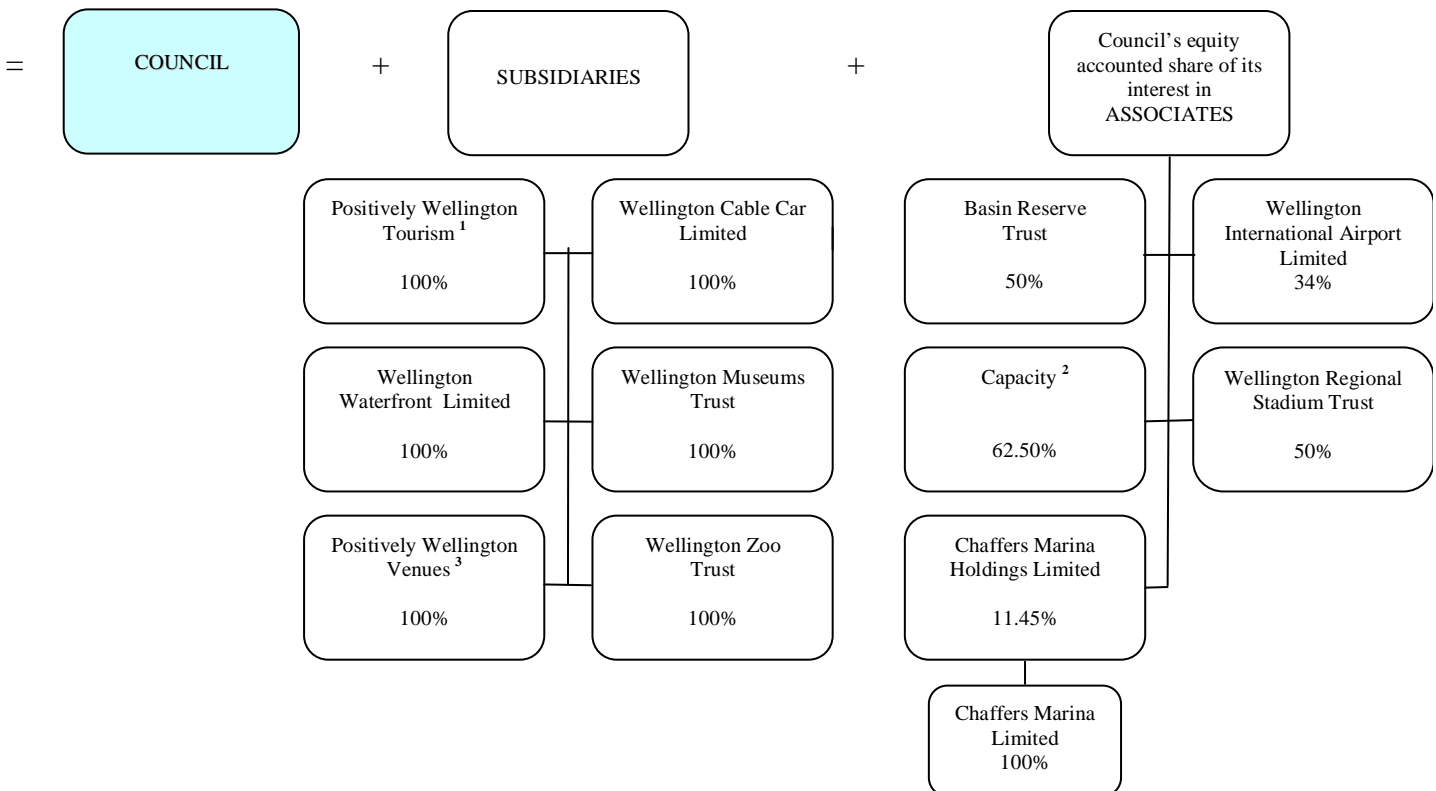
The Council and Group have no contingent assets as at 30 June 2013 (2012: \$Nil).

Note 38: Group structure

Wellington City Council Reporting Entity (Council)



Wellington City Council Group Reporting Entity (Group)



The Council has established several Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's) to help it achieve its goals for Wellington. These organisations were set up to independently manage Council facilities, or deliver specific services and developments on behalf of Wellington residents. A report on these organisations is found on page XX. Council has made appointments to other organisations, which make them Council Organisations (as defined in the Local Government Act 2002) but they are not Council controlled or part of the Group.

Percentages above represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group.

1. The legal name of the subsidiary is the Partnership Wellington Trust Inc.
2. The legal name of the associate is Capacity Infrastructure Services Limited.
3. The legal name of the subsidiary is Wellington Venues Limited.

Note 39: Joint ventures

The Council has significant interests in the following joint ventures:

Joint Venture	Interest 2013	Interest 2012	Nature of business
Wastewater treatment plant – Porirua City Council	27.6%	27.6%	Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs.
Spicer Valley Landfill – Porirua City Council	21.5%	21.5%	Owns and operates a sanitary landfill that provides services to Wellington City's northern suburbs.

The end of the reporting period for the joint ventures is 30 June. Included in the financial statements are the following items that represent the Council's and Group's interest in the assets and liabilities of the joint ventures.

Share of Net Assets	2013 \$000	2012 \$000
Assets		
Current		
Inventory	5	5
Trade and other receivables	693	-
Non-current		
Property, plant and equipment	19,430	19,444
Share of total assets	20,128	19,449
Liabilities		
Current		
Trade and other payables	-	62
Non-current		
Borrowings	3,035	1,242
Provisions for other liabilities	1,768	1,680
Share of total liabilities	4,803	2,984
Share of net assets	15,325	16,465

The Council's and Group's share of the joint ventures' current year net surplus and revaluation movements (after elimination) included in the financial statements are shown below.

Share of Net Surplus and Revaluation Movements	2013 \$000	2012 \$000
Operating revenue	2,400	2,525
Operating expenditure	(3,540)	(2,772)
Share of net surplus or (deficit)	(1,140)	(247)
Share of current year revaluation movement	-	(82)

The Council's and Group's share of the joint ventures' capital commitments is \$Nil (2012: \$Nil) and contingent liabilities is \$Nil (2012: \$Nil).

Note 40: Investment in Subsidiaries

The following entities are subsidiaries of Council:

Subsidiary	Interest 2013	Interest 2012	Nature of business
Positively Wellington Tourism (Partnership Wellington Trust Inc)	100%	100%	Creates economic and social benefit by marketing the city with the private sector as a visitor destination.
Wellington Waterfront Limited	100%	100%	Manages the Wellington Waterfront Project.
Wellington Cable Car Limited	100%	100%	Owns and manages the trolley bus overhead wiring system and the Cable Car.
Wellington Museums Trust	100%	100%	Administers the Cable Car Museum, Capital E, the City Gallery, the Colonial Cottage Museum, the Carter Observatory and the Museum of Wellington City and Sea
Positively Wellington Venues (Wellington Venues Limited)	100%	100%	Manages the Wellington Venues Project.
Wellington Zoo Trust	100%	100%	Manages and guides the future direction of the Wellington Zoo.

The reporting period end date for all subsidiaries is 30 June. Full copies of their financial statements can be obtained directly from their offices. Further information on the structure, objectives, the nature and scope of activities, and the performance measures and targets of the entities can be found in the Report on Council Controlled Organisations (page XX).

The cost of the Council's investment in subsidiaries is reflected in the Council's financial statements as follows:

Investment in subsidiaries	2013 \$000	2012 \$000
Wellington Cable Car Limited	3,809	3,809
Total investment in subsidiaries	3,809	3,809

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to subsidiaries. The Council has only made equity investments in Wellington Cable Car Limited. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality.

Information on inter-company transactions is included in the Note 42: Related party disclosures.

Note 41: Investment in Associates

The Council has a significant interest in the following associates:

Associate	Interest 2013	Interest 2012	Nature of business
Basin Reserve Trust	50%	50%	Manages, operates and maintains the Basin Reserve
Capacity (Capacity Infrastructure Services Limited)	62.5%	62.5%	Jointly manages water services for Wellington and Lower Hutt cities. (refer below for voting rights)
Chaffers Marina Holdings Limited	11.45%	11.45%	Holding company for Chaffers Marina Limited.
- Chaffers Marina Limited	100%	100%	Owns and manages the marina.
Wellington International Airport Limited	34%	34%	Owns and manages Wellington International Airport facilities and services.
Wellington Regional Stadium Trust	50%	50%	Owns and manages the Westpac Stadium.

Full copies of the associates' separately prepared financial statements can be obtained directly from their offices.

Basin Reserve Trust

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve and has a reporting period end date of 30 June. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust. On this basis the Trust is recognised as an associate of the Council in accordance with NZ IAS 28: *Investments in Associates*. It is therefore appropriate to recognise the interest that Wellington City ratepayers have in the Trust within the Council's financial statements. As each party has equal power to appoint Trustees, Wellington City Council's ownership interest in the Trust has been accounted for at 50%.

Capacity

Capacity, the trading name for Capacity Infrastructure Services Limited was jointly created with Hutt City Council on 9 July 2003 and has a reporting period ending 30 June. Wellington City Council and Hutt City Council each own Class A and Class B shares in the company.

	Wellington City Council	Hutt City Council	Shares on Issue
Class A shares (voting rights)	150	150	300
Class B shares (financial entitlements)	188	112	300

The Class A shares represent voting rights and are split evenly between the two Councils. The Class B shares confer the level of contributions and ownership benefits of each council. Wellington City Council holds 188 Class B shares, and Hutt City Council holds 112. The company is considered to be jointly controlled because of the equal sharing of voting rights conferred through the Class A shares and is therefore an associate of both Wellington City Council and Hutt City Council in accordance with NZ IAS 28: *Investments in Associates*. Each Council will equity account for their respective ownership interest as determined by the proportionate value of Class B shares held. Wellington City Council's ownership interest in the company is 62.5%.

Wellington City Council, Hutt City Council and Upper Hutt City Council have agreed to move Capacity Infrastructure Services Ltd to an outcomes based business model, which is designed to allow for the better development of a coherent regional strategy on delivering future three-waters services. They have also agreed to Upper Hutt City Council joining as a shareholder of Capacity. Porirua City Council is currently considering a proposal to become a customer and shareholder of Capacity. If both Upper Hutt City Council and Porirua City Council join as shareholders, Wellington City Council's percentage of voting shares will reduce to 25% and its percentage of income shares will reduce to 50% of the company.

The shareholding changes and shift to the outcomes based business model are anticipated to be effective from 1 October 2013.

Note 41: Investment in Associates - continued**Chaffers Marina**

Chaffers Marina Holdings Limited and Chaffers Marina Limited have a reporting period end date of 30 June. The shares in Chaffers Marina Holdings Limited are held by Wellington Waterfront Limited in a fiduciary capacity. As at 30 June 2013 Council held an 11.45% interest in Chaffers Marina Holdings Limited (2012: 11.45%) which has been reflected in the Group financial statements on an equity accounting basis reflecting the special rights (as set out in Chaffers Marina Limited's Constitution) which attach to the golden share that it holds in Chaffers Marina Limited.

Wellington International Airport Limited

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to Council, which is legislatively required to use 30 June. The Council owns 34% of the company, with the remaining 66% owned by NZ Airports Limited (which is wholly owned by Infratil Limited).

Wellington Regional Stadium Trust

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and has a reporting period end date of 30 June. Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of Trustees and receives benefits from the complementary activities of the Trust. On this basis the Trust is an associate of the Council in accordance with NZ IAS 28: *Investments in Associates*. It is therefore appropriate to recognise the interest that Wellington City ratepayers have in the Trust within the Council's financial statements. As each Council has equal power to appoint Trustees, Wellington City Council's ownership interest in the Trust has been accounted for at 50%.

Summary of Financial Position and Performance of Associates

The Council's share of the assets, liabilities, revenues and surpluses or deficits of the associates is as follows:

Associates	Assets	Liabilities	Revenues	Surplus/(Deficit)
	2013 \$000	2013 \$000	2013 \$000	2013 \$000
Basin Reserve Trust	524	50	318	(100)
Capacity	1,343	1,073	4,763	45
Chaffers Marina Holdings Limited	690	143	97	(16)
Wellington International Airport Limited	276,346	130,935	36,104	11,349
Wellington Regional Stadium Trust	48,412	9,115	8,347	1,427

Associates	Assets	Liabilities	Revenues	Surplus/(Deficit)
	2012 \$000	2012 \$000	2012 \$000	2012 \$000
Basin Reserve Trust	628	53	300	(69)
Capacity	1,149	925	4,873	53
Chaffers Marina Holdings Limited	688	125	99	(23)
Wellington International Airport Limited	270,192	131,388	33,819	7,289
Wellington Regional Stadium Trust	48,212	10,448	9,353	1,855

Note 41: Investment in Associates - continued

Investment in associates

The cost of the Council's investment in associates is reflected in the Council financial statements as follows:

Investment in associates	Council	
	2013 \$000	2012 \$000
Capacity	376	376
Chaffers Marina Holdings Limited	1,368	1,368
Wellington International Airport Limited	17,775	17,775
Total investment in associates	19,519	19,519

The investment in associates in the Group financial statements represents the Council's share of the net assets of the associate. This is reflected in the Group financial statements as follows:

Investment in associates	Group	
	2013 \$000	2012 \$000
Basin Reserve Trust		
Opening balance	574	643
Equity accounted earnings of associate	(100)	(69)
Closing balance - investment in Basin Reserve Trust	474	574
Capacity		
Opening balance	226	173
Equity accounted earnings of associate	45	53
Closing balance - investment in Capacity	271	226
Chaffers Marina Holdings Limited		
Opening balance	1,014	1,037
Change in shares during the year	-	-
Change in equity due to changed shareholding	-	-
Equity accounted earnings of associate	(16)	(23)
Closing balance - investment in Chaffers Marina Holdings Limited	998	1,014
Wellington International Airport Limited		
Opening balance	129,959	108,842
Dividends	(10,828)	(22,426)
Equity accounted earnings of associate	11,349	7,289
Share of net revaluation of property, plant and equipment - movement	-	33,437
Share of hedging reserve - movement	153	1,072
Adjustment for sale of i-site	-	1,745
Closing balance - investment in Wellington International Airport Limited	130,633	129,959
Wellington Regional Stadium Trust		
Opening balance	36,651	34,796
Equity accounted earnings of associate	1,427	1,855
Closing balance - investment in Wellington Regional Stadium Trust	38,078	36,651
Total investment in associates	170,453	168,424

Note 41: Investment in Associates - continued

The Council's share of the results of the Basin Reserve Trust, Capacity, Chaffers Marina Holdings Limited, Wellington International Airport Limited and the Wellington Regional Stadium Trust is as follows:

Share of associates' surplus/(deficit)	Group	
	2013 \$000	2012 \$000
Basin Reserve Trust		
Share of net surplus/(deficit) before tax	(100)	(69)
Tax (expense)/credit	-	-
Share of associate's surplus/(deficit) - Basin Reserve Trust	(100)	(69)
Capacity		
Share of net surplus/(deficit before tax)	45	53
Tax (expense)/credit	-	-
Share of associate's surplus/(deficit) - Capacity	45	53
Chaffers Marina Holdings Limited		
Share of net surplus/(deficit) before tax	(16)	(23)
Tax (expense)/credit	-	-
Share of associate's surplus/(deficit) - Chaffers Marina Holdings Limited	(16)	(23)
Wellington International Airport Limited		
Share of net surplus before tax	11,671	5,985
Tax (expense)/credit	(322)	1,304
Share of associate's surplus/(deficit) - Wellington International Airport Limited	11,349	7,289
Wellington Regional Stadium Trust		
Share of net surplus before tax	1,427	1,855
Tax (expense)/credit	-	-
Share of associate's surplus - Wellington Regional Stadium Trust	1,427	1,855
Total share of associates' surplus/(deficit)	12,705	9,105

Note 42 : Related party disclosures

Identity of related parties

In this section, the Council discloses the remuneration and related party transactions of key management personnel, which comprises the Directors (the Mayor and Councillors), the Chief Executive and all members of the Council's Executive Leadership Team. All members of the Group are also considered to be related parties of Wellington City Council, including its joint ventures, subsidiaries and associates.

Key management personnel	Note	Council		Group	
		2013 \$	2012 \$	2013 \$	2012 \$
Council Members (Directors)					
Short-term employee benefits	43	1,362,501	1,358,825	1,529,492	1,523,919
Chief Executive and Executive Leadership Team					
Short-term employee benefits		2,324,002	2,627,432	2,324,002	2,627,432
Post employment benefits		22,148	17,791	22,148	17,791
Total remuneration paid to key management		3,708,651	4,004,047	3,875,642	4,169,141

For further disclosure of the remuneration payable to the Mayor, Councillors and the Chief Executive refer to Note 43: Remuneration and staffing.

Material related party transactions – key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions of a minor and routine nature with the Council on normal commercial terms (such as payment of rates and purchases of rubbish bags).

These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

The Mayor and Councillor's disclose their personal interests in a register available on the Council Website.

There are no commitments from Council to key management personnel.

Material related party transactions – other organisations

- NZ Local Government Funding Agency Limited (LGFA)

The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80% of the issued capital, with the Government holding the remaining 20%. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.883m representing 8% of paid-up capital.

Note 42 : Related party disclosures - continued**- Karori Wildlife Sanctuary Trust (Zealandia)**

The Council has influence in the governance, funding and operations of the Karori Wildlife Sanctuary Trust (trading as Zealandia) which is not part of the Group, to the extent that it is considered appropriate to disclose the nature of the transactions as being between related parties.

The Council appoints two of the five trustees including the Chair. Operational funding of \$0.350m was made during the year to 30 June 2013. The Council has a concessionary loan totalling \$10.347m on interest free terms to the Trust. Further information on the loan is included in Note 13: Other financial assets.

Intra group transactions and balances

During the year the Council has entered into several transactions with its joint venture partner Porirua City Council. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

Intra group transactions and balances - Joint ventures	2013 \$000	2012 \$000
Expenditure incurred by the Council to fund the operation and management of: Porirua - waste water treatment plant	1,792	1,537

Note 42 : Related party disclosures - continued

During the year the Council has entered into several transactions with its subsidiaries. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

Intra group transactions and balances - Subsidiaries	2013 \$000	2012 \$000
Dividend received from:		
Wellington Cable Car Limited	94	10
Revenue for services provided by the Council to:		
Positively Wellington Tourism	125	160
Positively Wellington Waterfront	2	2
Wellington Cable Car Limited	68	63
Wellington Museums Trust	1,970	2,377
Wellington Zoo Trust	608	524
	2,773	3,126
Expenditure incurred by the Council to fund operations and management of:		
Positively Wellington Tourism	6,390	5,940
Positively Wellington Waterfront	1,075	1,075
Wellington Museums Trust	8,010	8,010
Wellington Zoo Trust	2,799	2,799
	18,274	17,824
Expenditure for services provided to the Council by:		
Positively Wellington Tourism	168	128
Wellington Cable Car Limited	323	195
Wellington Museums Trust	313	230
Wellington Venues Limited	5,386	5,428
Wellington Zoo Trust	1,280	1,112
	7,470	7,093
Current receivables owing to the Council from:		
Positively Wellington Waterfront	-	1
Wellington Cable Car Limited	2	1
Wellington Museums Trust	30	598
Wellington Zoo Trust	639	489
	671	1,089
Current payables owed by the Council to:		
Positively Wellington Tourism	15	-
Wellington Cable Car Limited	-	193
Wellington Museums Trust	15	172
Wellington Venues Limited	492	362
Wellington Zoo Trust	458	617
	980	1,344

Current receivables and payables

The receivables and payables balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Note 42 : Related party disclosures - continued

During the year the Council has entered into several transactions with its associates. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

Intra group transactions and balances - Associates	2013 \$000	2012 \$000
Dividend received from:		
Wellington International Airport Limited	10,828	22,426
Revenue for services provided by the Council to:		
Basin Reserve Trust	71	79
Capacity	34	34
Wellington International Airport Limited	1	3
Wellington Regional Stadium Trust	276	228
	382	344
Expenditure incurred by the Council to fund the operation and management of:		
Basin Reserve Trust	355	180
Wellington International Airport Limited ¹	1,000	-
	1,355	180
Expenditure for services provided to the Council from:		
Basin Reserve Trust	-	7
Capacity	11,370	8,190
Wellington International Airport Limited	108	35
Wellington Regional Stadium Trust	297	252
	11,775	8,484
Current receivables owing to the Council from:		
Basin Reserve Trust	2	14
Capacity	3	3
Wellington Regional Stadium Trust	8	8
	13	25
Current payables owed by the Council to:		
Capacity	605	605
Wellington International Airport Limited	35	-
Wellington Regional Stadium Trust	72	72
	712	677
Limited-recourse funding loan and advance		
Wellington Regional Stadium Trust - nominal value - \$15,394,893	1,407	1,248

Current receivables and payables:

The receivables and payables balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Limited-recourse funding loan and advance

The \$15m loan to the Wellington Regional Stadium Trust (WRST) is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished.

On maturity of the WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and Greater Wellington Regional Council.

1. This grant to Wellington International Airport Limited relates to the agreement to fund 50% (capped at \$1m) of the resource consent costs arising from the airport runway extension.

Note 43: Remuneration and staffing

Mayoral and Councillor remuneration

Remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to the Mayor or a Councillor during the reporting period. The Mayor and Councillors are considered directors as they occupy the position of a member of the governing body of the Council reporting entity. The disclosures for the Group include the remuneration of the Mayor and the appropriate Councillors in their role as trustees or directors of entities within the Group.

The following people held office as, either or both, elected members of the Council's governing body, and trustees or directors of entities comprising the Group during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year from 1 July 2012 to 30 June 2013 was \$1,529,492 (2012: \$1,523,919) and is disaggregated and classified as follows:

Council Member	Monetary Remuneration			Non Monetary Remuneration	Total Council Remuneration 2013	Director/ Trustee Fees	Total Remuneration 2013
	Salary	Resource Consent Hearing Fees	Allowances				
	\$	\$	\$	\$	\$	\$	\$
Ahipene-Mercer, Ray	80,300	-	360	3,000	83,660	15,000	98,660
Best, Ngaire	80,300	-	360	3,000	83,660	15,000	98,660
Cook, Stephanie	85,220	-	360	3,000	88,580	-	88,580
Coughlan, Jo	80,300	-	360	3,000	83,660	15,000	98,660
Eagle, Paul	80,300	-	360	3,000	83,660	15,000	98,660
Foster, Andy	90,325	2,200	360	3,000	95,885	15,000	110,885
Gill, Leonie	85,220	-	-	3,000	88,220	-	88,220
Lester, Justin	80,300	-	360	3,000	83,660	15,000	98,660
McKinnon, Ian	97,430	-	360	3,000	100,790	43,991	144,781
Marsh, Simon	65,926	-	360	3,000	69,286	15,000	84,286
Morrison, John	80,300	-	360	3,000	83,660	18,000	101,660
Pannett, Iona	80,300	2,200	360	3,000	85,860	-	85,860
Pepperell, Bryan	80,300	-	360	3,000	83,660	-	83,660
Ritchie, Helene	80,300	-	360	3,000	83,660	-	83,660
Wade-Brown, Celia	161,600	-	-	3,000	164,600	-	164,600
Totals	1,308,421	4,400	4,680	45,000	1,362,501	166,991	1,529,492
					Total monetary remuneration	1,317,501	1,484,492
					Total non- monetary remuneration	45,000	45,000

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the Local Government Act 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority. As permitted under the Authority's guidelines the Council has chosen for its elected members to receive an annual salary for the 2012/13 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Resource consent hearings payments

The determination issued by the Remuneration Authority also provides for the payment of hearing fees for those Councillors who sit as members of the Hearings Committee for hearings of resource consent applications lodged under the Resource Management Act 1991. The fees for members, who act in this capacity, are paid at the rate of \$100 per hour for the Chair and \$80 per hour for other members.

Note 43: Remuneration and staffing - continued**Taxable and non-taxable allowances – mileage, broadband services and mobile phones**

Councillors are entitled to claim an allowance for mileage for which the rates are set by the Remuneration Authority. However, from December 2008, Councillors voluntarily decided to forgo receiving this allowance.

Councillors are able to choose either of the following two options:

- The payment of a communication allowance of \$30 per month; or
- The reimbursement of any Council related communication costs, over and above any communication costs they would normally incur, payable on receipt of the appropriate documentation required under the provisions of the Remuneration Authority's determination.

Both the allowance and reimbursement options are non-taxable. Only the payments under the allowance option have been included as remuneration in the schedule above.

The level of all allowances payable to the Council's elected members has been approved by the Remuneration Authority and is reviewed by the Authority on an annual basis.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration in relation to car parking space provided. The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation which may occur while undertaking Council business.

Director/Trustee Fees

The above director/trustee remuneration was paid to the following Council members in their capacity as Council appointees to the following organisations:

Council Member	Position	Director / Trustee Fees		Organisation	Council Interest %
		Subsidiaries \$	Associates \$		
Ahipene-Mercer, Ray	Trustee	15,000	-	Wellington Museums Trust	100.0
Best, Ngaire	Director	15,000	-	Positively Wellington Venues	100.0
Coughlan, Jo	Trustee	15,000	-	Positively Wellington Tourism	100.0
Eagle, Paul	Director	15,000	-	Positively Wellington Venues	100.0
Foster, Andy	Director	-	15,000	Capacity	62.5
Lester, Justin	Director	15,000	-	Wellington Waterfront Limited	100.0
McKinnon, Ian	Director	-	43,991	Wellington International Airport Limited	34.0
Marsh, Simon	Trustee	15,000	-	Wellington Zoo Trust	100.0
Morrison, John	Trustee	-	18,000	Wellington Regional Stadium Trust	50.0
Total director and trustee fees		90,000	76,991		

Note 43: Remuneration and staffing - continued**Community Boards**

The Council has two community boards – the Tawa Community Board and the Makara/Ohariu Community Board. Remuneration paid to the elected members of these boards is as follows:

Community Board Member	Salary	Allowances	Total 2013
	\$	\$	\$
TAWA COMMUNITY BOARD			
Sparrow, Malcolm (Chair)	21,165	540	21,705
Hansen, Graeme (Deputy Chair)	8,465	-	8,465
Lucas, Margaret	8,465	-	8,465
Reading, Chris	8,465	-	8,465
Sutton, Alistair	8,465	-	8,465
Tredger, Robert	8,465	-	8,465
MAKARA-OHARIU COMMUNITY BOARD			
Grace, Christine (Chair)	13,550	540	14,090
Bruce, Gavin (Deputy Chair)	5,295	-	5,295
Liddell, Judy	5,295	-	5,295
Rudd, Wayne	5,295	-	5,295
Scotts, Margie	5,295	-	5,295
Todd, Hamish	5,295	-	5,295
Totals	103,515	1,080	104,595

A technology allowance of \$45 per month is available to the chair of both the Tawa and Makara/Ohariu Community Boards. This allowance can be taken as either an allowance or as an actual expense reimbursement. Both options are non-taxable but only payments under the allowance option are included in the above remuneration table.

Note 43: Remuneration and staffing - continued**Chief Executive's remuneration**

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002.

The table below shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2013.

Under the terms of his agreement, the Chief Executive of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

Remuneration of the Chief Executive	Council	
	2013 \$	2012 \$
Short-term employee benefits		
Garry Poole (1 July 2012 - 12 April 2013)		
Salary ¹	327,345	398,432
Motor vehicle and carpark (including FBT)	-	25,025
Other remuneration:		
Accrued leave entitlement for the tenure of employment (1998 - 2013)	123,027	
Contractual payment due at expiry of fixed term employment agreement that commenced on 2 March 2008	104,520	
Total remuneration paid or payable	554,892	423,457²
Kevin Lavery (31 March 2013 - 30 June 2013)		
Salary ³	99,726	-
Total remuneration paid or payable	99,726	-

¹ Garry Poole was on a fixed term individual employment agreement with total remuneration of \$419,231.

² The total paid in 2012 is higher than the Chief Executives total annual remuneration (refer footnote 1) because some of the payment relates to the 2011 year (as following the September 2012 remuneration review process, the adjustment to remuneration was backdated to 2 March 2012).

³ Kevin Lavery is on a fixed term individual employment agreement with total remuneration of \$400,000.

Severances

In accordance with Schedule 10, section 19 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ending 30 June 2013 the Council made severance payments to 12 employees (2012:12) totalling \$240,830 (2012: \$110,628).

The individual values of each of these severance payments are: \$2,500; \$13,463; \$3,000; \$20,013; \$22,133; \$35,000; \$42,747; \$35,000; \$35,000, \$16,275; \$13,699; \$2,000.

Note 43: Remuneration and staffing - continued

The following table identifies the number of full time employees as at the of the reporting period and the full time equivalent number of all other part-time, fixed term and casual employees. The table further identifies the break down of remuneration levels of those employees into various bands.

	Council	
	2013	2012
The number of full-time employees as at 30 June	910	1020
The full-time equivalent number of all other non full-time employees	216	209
The number of employees receiving total annual remuneration of less than \$60,000	1033	1126
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999	251	278
\$80,000 - \$99,999	123	137
\$100,000 - \$119,999	75	73
\$120,000 - \$139,999	36	39
\$140,000 - \$159,999	15	12
\$160,000 - \$179,999	9	7
\$180,000 - \$219,999*	9	6
\$220,000 - \$279,999*	7	8
\$280,000 - \$419,999*	4	2

A full-time employee or full-time equivalent is based on a 40 hour week.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as the employer Kiwisaver contribution.

*If the number of employees for any band was 5 or less then it has been combined with the next highest band.

Note 44: Events after the end of the reporting period

There are no events after the end of the reporting period that require adjustment to the financial statements or the notes to the financial statements.

There were two large earthquakes situated near Wellington on 21 July and 16 August 2013 which caused damage to some commercial and residential buildings in the Wellington area. The Council has performed engineering assessments on Council owned buildings affected by the earthquake and discovered no structural damage. Repair to cosmetic damage and clean up costs are expected to be minimal and largely covered by the self insurance reserve fund.

Appendices

Report on council controlled organisations

In order to achieve our objectives for Wellington, we have established several companies and trusts. These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake development on behalf of the Wellington community. Where necessary, we provide funding to support their operations and capital investment requirements.

The following pages explain what the organisations do, how their performance is measured, and how they performed during 2012/13.

WELLINGTON REGIONAL STADIUM TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>All of the trustees are jointly appointed by the Council and Greater Wellington Regional Council (GWRC).</p> <p>As at 30 June 2013, they are John Shewan (Chair), Councillor Chris Laidlaw (GWRC), Sir John Anderson, Liz Dawson, Sue Elliott, Mark McGuinness and Councillor John Morrison (WCC).</p> <p>David Gray retired as Chief Executive on 30 June 2013 and Shane Harmon is the new Chief Executive from July 2013.</p>	<p>The Wellington Regional Stadium Trust owns, operates and maintains the Stadium as a high-quality multi-purpose sporting and cultural venue. It provides facilities to be used for rugby, cricket and other sports codes, musical and cultural events, and other users including sponsors and event and fixture organisers.</p>	<p>The Trust:</p> <ul style="list-style-type: none"> Operates the Stadium. Manages the event programme and seeks opportunities to provide regular quality events. Ensures the Stadium is provided to the community for appropriate usage. Administers the Trust assets and the Stadium on a prudent commercial basis. 	<p>Number of events</p> <p>Total revenue</p> <p>Event revenue</p> <p>Net surplus</p>	<p>47</p> <p>\$15.13 million</p> <p>\$4.69 million</p> <p>\$2.32 million</p>	<p>52</p> <p>\$16.70 million*</p> <p>\$6.10 million*</p> <p>\$3.06 million*</p>

Note: the Wellington Regional Stadium Trust is not formally defined as a Council Controlled Organisation. This report on their activities is presented to recognise the interest that Wellington city ratepayers have in the Trust and its activities.

* Subject to final audit and trustee approval.

PARTNERSHIP WELLINGTON TRUST (TRADING AS POSITIVELY WELLINGTON TOURISM)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>All trustees are appointed by the Council.</p> <p>As at 30 June 2013, they are Mike O'Donnell (Chair), Ed Sims, Sarah Gibbs, Councillor Jo Coughlan, Howard Greive and Chris Wilkinson.</p> <p>The Chief Executive is David Perks.</p>	<p>The Partnership Wellington Trust markets and adds value to Wellington to achieve sustainable economic growth for the people of the city.</p> <p>It acts to enhance the recognition of Wellington as a desirable visitor destination, enhance the profile of city businesses and to promote strategic alliances and private sector partnerships, and maximise the city's share of regional spending.</p> <p>It also promotes community focused initiatives, aims to improve the sustainability of Wellington's commercial sector through its marketing initiatives, and facilitates the coordination of marketing initiatives that are appropriate to its objectives.</p>	<p>The Trust:</p> <ul style="list-style-type: none"> Promotes Wellington as a visitor destination in national and international markets. Markets Wellington as a convention and conference destination. Provides visitor information services. Runs initiatives that promote retail growth, including the downtown retail campaign. Profiles Wellington's strengths in arts, sport and education attractions, and conducts development of an ongoing events profile for the city. Facilitates the development of new tourism and event product, and the development of the Visiting Friends and Relatives (VFR) market. Manages Wellington's destination profile on the internet. Conducts research and analysis of the tourism industry. 	International direct arrivals to Wellington Airport from Australia	Increase Australian visitor arrivals by 7% over 2011/12 levels	-0.67%
			International visitor nights	Maintain international visitor room nights relative to 2011/12 levels	- 13.34% ⁹
			New Zealand visitor nights	Domestic visitor nights increased by 2% relative to 2011/12 levels	+ 7.05% ¹⁰
			Weekend occupancy in partner hotels (capacity aligned)	Increased by 2% relative to 2011/12 levels	+ 1.0%
			Downtown weekend visitation	Maintained at 2011/12 levels	- 0.85%
			i-Site revenue	Maintained at 2011/12 levels	-1.9% ¹¹
			Cost effectiveness	Maintain Council's funding at 50% or less of Wellington's marketing activity investment	48.7%
			Visits to WellingtonNZ.com	10% increase over 2011/12 levels	+ 25%
			Online Revenue	Generate \$680k of bookings through the site	\$569k ¹²

⁹ The 2011/12 figures are still impacted by the 2011 Rugby World Cup.

¹⁰ This increase is due to a strong domestic marketing campaign and events schedule.

¹¹ The slight drop in i-SITE revenue reflects the drop in international nights/numbers to Wellington, but additional revenue sources from snapper and dash tickets has helped offset this.

¹² Whilst Wellingtonnz.com was the first online booking channel available in New Zealand, there are now larger global channels in the online market.

WELLINGTON MUSEUMS TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>All trustees are appointed by the Council.</p> <p>As at 30 June 2013, they are Quentin Hay (Chair), Councillor Ahipene-Mercer, Philip Shewell, Jackie Lloyd and Alick Shaw. The Chief Executive is Pat Stuart.</p>	<p>The Wellington Museums Trust (WMT) was established in 1995 to promote and manage the City Gallery Wellington, the Museum of Wellington City & Sea, the Colonial Cottage, Capital E, the Wellington Cable Car Museum, the New Zealand Cricket Museum and the Carter Observatory. The Trust has a management agreement with the New Zealand Cricket Museum.</p> <p>It manages and develops the Trust programmes and services, and acquires and manages collections for the benefit of Wellington. It provides advice to the Council for the development of museum and gallery services in Wellington, establishes exhibition programmes and education policies for its facilities, and develops acquisition, deaccession and collection development policies. It liaises with Positively Wellington Tourism to enhance its attraction to Wellington's visitors.</p>	<ul style="list-style-type: none"> Delivers high quality experiences, events and exhibitions at its facilities. Manages conservation and care for the objects of its collections, and conducts research and development to enhance visitors' experiences. Offers quality education experiences to children and young people. Promotes and protects the heritage of venues. Develops and operates the Soundhouse Studio. Works with national and international artists and collectors. 	Attendance targets:		
			City Gallery	143,000	161,681
			Capital E	102,000	100,329 ¹³
			Museum of Wellington	93,800	98,605
			Colonial Cottage	2,100	1,825
			Cable Car Museum	227,000	235,866
			NZ Cricket Museum	2,100	1,895
			Carter Observatory	50,000	48,820
			Subsidy per customer (excludes Plimmer's Ark, but includes rental subsidy)	\$13.04	\$12.44
			Carter Observatory subsidy per customer	\$7.78	\$6.15
			Percentage of visitors to all trust institutions who rate the quality of their experience as good or very good	90% on average	94%
				27%	48%
			Percentage of visitors to all Trust institutions are repeat visitors	Approximately 88% (across all institutions)	86%
			Percentage of all residents are aware of Trust institutions		

¹³ Capital E, Carter Observatory and the Colonial Cottage were all affected by building issues, the most significant being the Capital E building which was assessed as earthquake prone in November 2012.

WELLINGTON VENUES LIMITED (TRADING AS POSITIVELY WELLINGTON VENUES)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
All trustees are appointed by the Council.	Wellington Venues Limited exists to manage and promote Wellington's major Events venues, including the Michael Fowler Centre, Town Hall, St James Theatre and Opera House as venues, and to help establish Wellington as the premier city for events and conferences.	Wellington Venues Ltd.: <ul style="list-style-type: none"> Manages and operates the Venues and any related Events business Advocates for the Venue and Event sector for the benefit of the residents of Wellington Works to achieve greater community access to the Venues' facilities Develops and maintains beneficial relationships with other national and international institutions, supports Positively Wellington Tourism, and develops new initiatives in its role as a key provider of event and performance venues. 	Venue hire days	1032 ¹⁴	953
As at 30 June 2013 , they are Chris Parkin (Chair), Councillor Ngaire Best, Councillor Paul Eagle, Mike Egan, Samantha Sharif, Lorraine Witten, Linda Rieper and Daniel Bridges. The Chief Executive is Glenys Coughlan.			Performance days and revenues	655	600; Revenue targets met
			Convention and events days and revenues	377	352; Revenue targets met
			Maintain appropriate mix of commercial and community hires	Maintain appropriate mix of commercial and community hires	Achieved
			Pan-venue asset management	Pan-venue asset management	Achieved
			Reduced environmental foot print targets	Reduced environmental foot print targets	On-going
			Joint marketing with PWT and other partners	Continuing joint marketing with PWT and other partners such as a joint Australian marketing initiative with PWT aimed at the Wellington conference and events market.	On-going
			Contingency plan for seismic strengthening of Town Hall	Contingency plan for seismic strengthening of Town Hall	Achieved

¹⁴ This is calculated as the total number of hires at the venue, as opposed to actual days, as venues can be hired for multiple events within one day.

LAMBTON HARBOUR MANAGEMENT LIMITED (TRADING AS WELLINGTON WATERFRONT LIMITED)

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 30 June 2013, they are Robert Gray (Chair), Councillor Justin Lester, Derek McCorkindale and Jane Black. The Chief Executive is Ian Pike.</p>	<p>Wellington Waterfront Limited acts as the implementation manager for the waterfront development area. This means ensuring that the waterfront area is recognised locally and internationally for its design; is attractive; caters for a wide range of activities; is readily accessible to all people; and is both safe and perceived to be safe. Wellington Waterfront Limited also acts to protect significant heritage buildings on the waterfront, and makes sure that activities on the waterfront are integrated with those on the harbour.</p>	<p>The company:</p> <ul style="list-style-type: none"> Implements the objectives of the Waterfront Framework as outlined in the Waterfront Development Plan. Demonstrates willingness to engage with the public about how the waterfront is developed Manages day to day operations on the waterfront, including cleaning, security and maintenance. Negotiates and manages contracts for the design and construction of the waterfront's public spaces. Negotiates and manages contracts and leases for all building development sites, and the refurbishment and re-use of existing buildings. Owns and manages the marina. 	<ul style="list-style-type: none"> Percentage of residents visiting the waterfront 	95%	99%
			<ul style="list-style-type: none"> Percentage of residents satisfied with the waterfront Number of project milestones achieved on time 	90%	<p>Number of project milestones achieved on time:</p> <p>Complete wharf pile refurbishment of Queen's Wharf</p> <p>Complete the urban design proposal for OPT public space and achieve TAG sign-off</p> <p>Progress the development of Site 10 and complete stage 2 of Kumutoto development</p> <p>Deliver the proposed Diving platform within the Circa cut-out space (Q2)</p> <p>Have approved the long-term development proposal for Shed 1 (Q4)</p> <p>Successfully complete the marketing and sale of the Shed 5 Long-term lease (Q2)</p> <p>Meet the contractual milestones in the MOU with Te Papa for the Transition Building, Waitangi Park (Q4)</p>

¹⁵ While planning continued through the year on specific projects within the Queen's Wharf precinct, it was determined that a viable development proposal for Shed 1 was not achievable at this time in the current economic climate.

WELLINGTON CABLE CAR LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>The Council is the 100% shareholder in this company and appoints all of the directors.</p> <p>As at 30 June 2013, they are Roger Drummond (Chair), Nicki Crauford, and Anthony Briscoe. The Chief Executive is Des Laughton.</p>	<p>Wellington Cable Car Limited owns and operates the Cable Car as an efficient, reliable and safe transport service and a uniquely Wellington tourism asset.</p> <p>It also owns and maintains the overhead wiring system for the trolley bus passenger network which services the city.</p>	<p>The company:</p> <ul style="list-style-type: none"> Maintains the cable cars and associated track, plant, tunnels, bridges and buildings in accordance with best engineering practice, and to meet the certification requirements of the New Zealand Transport Agency. Manages the cable car passenger service operation. Markets the cable car. Identifies options for enhancing the cable car travel and tourism experience. Specifies and controls the contract for the inspection, maintenance and repair of the trolley bus overhead wiring system. 	<ul style="list-style-type: none"> Cable car passenger numbers All cable car vehicles and associated buildings and equipment are maintained to required safety standards Cable car service reliability Percentage of residents who have used the cable car in the last 12 months Percentage of users who rate the standard and operational reliability of the Cable Car as good or very good 	<p>1,073,000</p> <p>Achieve</p> <p>Greater than 99%</p> <p>30%</p> <p>95%</p>	<p>1,060,458</p> <p>Achieved</p> <p>99.8%</p> <p>46%</p> <p>94%</p>

CAPACITY INFRASTRUCTURE SERVICES LIMITED

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>Wellington City Council and Hutt City Council are equal 50% shareholders in this Council Controlled Trading Organisation, and between them appoint all of the directors. The company is overseen by a board of directors made up of two Councillors (one from each council) and four independent directors (two are appointed jointly by the councils). Each council continues to own its respective water, storm water and waste water assets and determines the level and standard of services to be provided to its customers and ratepayers.</p> <p>As at 30 June 2013, the Councillor appointees are Andy Foster (Wellington City Council) and David Bassett (Hutt City Council). The four independent Directors are Peter Allport (Chair), Peter Leslie, Ian Hutchings and John Strahl. The Chief Executive is David Hill.</p> <p>Wellington City Council, Hutt City Council and Upper Hutt City Council have agreed to move Capacity Infrastructure Services Ltd to an outcomes based business model, which is designed to allow for the better development of a coherent regional strategy on delivering future three-waters services. They have also agreed to Upper Hutt City Council joining as a shareholder of Capacity. Porirua City Council is currently considering a proposal to become a customer and shareholder of Capacity. If both Upper Hutt City Council and Porirua City Council join as shareholders, Wellington City Council's percentage of voting shares will reduce to 25%.</p> <p>The shareholding changes and shift to the outcomes focused operating model are anticipated to be effective from 1 October 2013.</p>	<p>The objective of Capacity is to manage the provision of water services (water supply, storm water and wastewater) to the residents and businesses in the areas served by its customers. Capacity's current customers are Wellington City Council, Hutt City Council and Upper Hutt City Council.</p>	<p>The company's purpose is to provide high quality, safe and environmentally sustainable services to shareholding councils and other customers with a principal focus on asset management planning and contracted service delivery for the operation, maintenance and on-going development of drinking water, storm water and waste water assets and services.</p> <p>The company is committed to ensuring all work managed on behalf of customers accords with the highest standards of health and safety for those involved in the work and for the general public. The company will continually seek opportunities to integrate water, storm water and waste water activities within the Wellington region where such integration can deliver least cost, best practice outcomes to the benefit of shareholder councils and other entities.</p> <p>See also the Environment strategic area for more information on water, storm water and waste water services.</p>	<ul style="list-style-type: none"> • Provide a reliable water supply, wastewater and storm water service. • Develop and complete asset management plans • Deliver budgeted capital expenditure projects for respective councils • Deliver budgeted operating and maintenance activities for respective councils • Manage and operate Capacity within its budget • Comply with relevant standards, legislation and resource consents 	<p>Fewer than 4 unplanned supply cuts (pipe bursts) per 1000 connections</p> <p>Within agreed timeframe</p> <p>Within agreed timeframes and budget</p> <p>Within agreed timeframes and budget</p> <p>Within agreed budget</p> <p>Achieve full compliance</p>	<p>Achieved (1.3 unplanned supply cuts per 1000 connections)</p> <p>Achieved (within agreed timeframe)</p> <p>Achieved (within agreed timeframes and budget)</p> <p>Achieved (within agreed timeframes and budget)</p> <p>Achieved (within agreed budget)</p> <p>Achieved full compliance¹⁶</p>

¹⁶ Compliance report from GWRC not due until later in 2013.

WELLINGTON ZOO TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	Actual 2012/13
<p>The Wellington Zoo Trust was established on 1 July 2003 and all of the trustees are appointed by the Council.</p> <p>As at 30 June 2013, they are Ross Martin (Chair), Frances Russell, Linda Meade, Alan Dixon, and Councillor Simon Marsh.</p>	<p>The Wellington Zoo Trust manages the assets and operations of Wellington Zoo for the benefit of the residents of Wellington and visitors to the city. It promotes species conservation, educates the community by building an awareness of plant and animal species, and supports the conservation and educational activities of other organisations.</p>	<ul style="list-style-type: none"> Cares for resident animals and manages the animal collection. 	<ul style="list-style-type: none"> Number of visitors 	206,703	232,130
		<ul style="list-style-type: none"> Provides a high-quality visitor experience 	<ul style="list-style-type: none"> Conservation Programme Managed Species (% of total collection) 	41%	39.8%
		<ul style="list-style-type: none"> Participates in captive management breeding and breed-for-release programmes. 	<ul style="list-style-type: none"> Average WCC subsidy per visitor 	\$13.54	\$12.06
		<ul style="list-style-type: none"> Develops and maintains high quality animal exhibits. 	<ul style="list-style-type: none"> Annual fundraising target for ZCP 	\$468,693	\$406,538
		<ul style="list-style-type: none"> Delivers educational material and learning experiences. 	<ul style="list-style-type: none"> Average income per visitor (excluding WCC grant) 	\$14.88	\$13.81
		<ul style="list-style-type: none"> Contributes to zoological, conservation and facilities management research projects. 	<ul style="list-style-type: none"> Ratio of generated Trust income as % of WCC grant 	110%	115%

BASIN RESERVE TRUST

STRUCTURE	OBJECTIVES	ACTIVITIES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13
<p>There are four trustees, of whom two are appointed by the Council and two by Cricket Wellington.</p> <p>As at 30 June 2013, the two trustees appointed by the Council are Councillor John Morrison and Sir John Anderson. The two trustees appointed by Cricket Wellington are Don Neely and Douglas Catley (Chair). The Chief Executive of Cricket Wellington is Peter Clinton.</p>	<p>The Basin Reserve Trust manages and operates the Basin Reserve to continue to attract national and international sporting events to Wellington.</p>	<p>The Trust:</p> <ul style="list-style-type: none"> Manages the Basin Reserve for recreational activities and the playing of cricket for the residents of Wellington. Contributes to the events programme for Wellington. Operates as a successful not-for-profit undertaking. Preserves and enhances the heritage value of the Basin Reserve. 	<p>Number of events</p> <ul style="list-style-type: none"> Cricket Other sports Community <p>Number of event days</p> <ul style="list-style-type: none"> Cricket Other sports Community Attendance figures 	<p>15</p> <p>6</p> <p>2</p> <p>34</p> <p>6</p> <p>2</p> <p>34,800</p>	<p>20</p> <p>1</p> <p>1</p> <p>32</p> <p>1</p> <p>1</p> <p>32,878</p>

Monitoring information

The following indicators have been developed to assess achievement of our Council outcomes that were set as part of the 2012-22 Long-term Plan.

The Council's outcomes are our aspirations for the city and our communities. They are aimed at promoting Wellington's social, economic, environmental, and cultural wellbeing now and in the future.

The Council outcomes reflect areas of the city we are able to influence, whereas community outcomes reflect the community's overall aspirations including areas we have limited ability to influence (for example, affordability of housing). Over time we expect to see improvement across all areas. The information provided below is a complete record of the 'outcomes indicators' section under each strategy area.

We use some acronyms:

GIS: Geographic Information Systems;

PWT: Positively Wellington Tourism;

NZTA: New Zealand Transport Agency;

TEC: Tertiary Education Commission.

Governance outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents who agree that decisions are made in the best interests of the city	WCC Residents' Monitoring Survey	(2008/09, 2009/10, 2010/11, 2011/12, 2012/13) 59%, 61%, 60%, 55%, 31%
Residents who state that they understand how the Council make decisions	WCC Residents' Monitoring Survey	(2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) 43%, 40%, 45%, 51%, 48%, 42%, 27%
Residents who believe they have an influence on Council decision-making	WCC Residents' Monitoring Survey	(2008/09, 2009/10, 2010/11, 2011/12, 2012/13) Large and Some Influence: 64%, 65%, 61%, 60%, 41%
Mana Whenua partner agreement that the use and protection of the city's resources for the future is appropriate	WCC Research, Consultation and Planning	Both partners agree that Council is making appropriate decisions regarding the use and protection of the city's resources.
Residents' who believe they have the opportunity to participate in city life	WCC Residents' Monitoring Survey	(2013) Agree and strongly agree: 67%
Voter turnout in local elections	N/A	N/A

Environment outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Hectares of open space land owned or maintained by WCC, per capita ¹⁷	WCC Parks and Gardens	2006/07: 188.3 m2/person (3,535 hec); 2007/08: 185.5 m2/person (3,535 hec); 2008/09: 183.3 m2/person (3,535 hec); 2009/10: 208.6m2/person (4,078 hec); 2010/11: 206.7m2/person (4,086 hec); 2011/12: 210.9m2/person (4,221 hec); 2012/13: 202.1m2/person (4,086 hec).
Residents' usage of the city's open spaces	WCC Residents' Monitoring Survey	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) Most days = 6%, 5%, 3%, 4%, 4%, 4%; Once or twice a week = 14%, 13%, 13%, 14%, 12%, 11%; Once every 2–3 weeks = 10%, 11%, 11%, 11%, 12%, 13%; Once a month = 11%, 14%, 11%, 12%, 12%, 13%; Once every 2–3 months = 12%, 13%, 13%, 13%, 12%, 15%; Once every 4–5 months = 6%, 6%, 6%, 5%, 5%, 10%; Once every 6 months or less often = 13%, 13%, 13%, 14%, 15%, 14%; Never in the last 12 months = 29%, 24%, 31%, 29%, 29%, 21%
Residents' perceptions that the natural environment is appropriately managed and protected.	WCC Residents' Monitoring Survey	(2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) 79%, 75%, 82%, 84%, 89%, 87%, 80%.
Kilometres of managed tracks and walkways	WCC Parks and Gardens	2006/07 = 365.5km; 2007/08 = No change; 2008/09 = 316.6km; 2009/10: 337km; 2010/11 = 327km; 2011/12 = 335km; 2012/13 = 360km
Hours worked by recognised environmental volunteer groups and Botanic Garden volunteers	WCC Parks and Gardens	2006/07 = 7,511 hours; 2007/08 = 9,388 hours; 2008/09 = 12,326 hours; 2009/10 = 25,000 hours; 2010/11 = 28,000 hours; 2011/12 = 31,200 hours; 2012/13 = 24,682 hours. ¹⁸
Bird counts - abundance and distribution	WCC Parks and Gardens	Average number of birds observed at each station ¹⁹
Bird counts (this table is part of the above measure)		

¹⁷ All per capita calculations are based on the most recent 30 June 2012) Wellington City resident population estimate from Statistics NZ (202,200)

¹⁸ The number of volunteer groups continues to increase, however record keeping of volunteer hours across the 75+ groups can be difficult.

¹⁹ Two years ago we changed the areas we were conducting bird counts in, which led to a change in abundance that we were recording. This is the information from the November 2012 bird count.

COUNCIL OUTCOME INDICATOR			SOURCE				DATA					
Species	<i>% of stations where species were recorded</i>						<i>average number of birds observed at each station</i>					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
bellbird	14	23	7	3	0	1.5	0.07	0.13	0.56	0.19	0.00	0.02
fantail	55	57	47	51	27	18.5	0.38	0.33	4.50	7.44	0.35	0.25
grey warbler	91	93	76	68	59	69	1.09	1.51	7.75	9.84	0.84	1.20
hihi	1		1		0	0	0.00	0.00	0.06	0.00	0.00	0.00
kaka	4	16	7	6	1	5.5	0.02	0.07	0.56	0.44	0.10	0.07
kakariki			1		0.05	0.5	0.00	0.00	0.06	0.00	0.01	0.02
karearea			1		0	0.5	0.00	0.00	0.06	0.00	0.00	0.01
kingfisher	23	27	15	4	0.02	2.5	0.10	0.16	1.13	0.25	0.03	0.04
saddleback	3	4	3		0.05	1	0.01	0.02	0.19	0.00	0.07	0.02
shining cuckoo	4	8	19	29	0.16	19.5	0.02	0.03	1.44	3.00	0.17	0.25
silvereve	97	98	89	55	79	82.5	2.58	2.66	19.75	0.00	1.86	2.40
tui	96	99	93	89	72	36.5	1.48	2.16	16.88	38.31	1.35	0.80
whitehead	5		6	1	0.04	5	0.03	0.00	0.75	0.18	0.06	0.09
woodpigeon	18	20	16	15	0.06	3	0.11	0.11	1.25	1.62	0.07	0.03
Water consumption (commercial and residential combined)			Capacity Infrastructure Services Ltd				23.7 billion L This figure is total usage excluding unaccounted for					

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
		water
Renewable energy (GWh) generated in the city (and % of city's electricity consumption)	Meridian Energy	Total renewable energy generated in the city = 475,850 MWh ²⁰ , which is equivalent to 35% of the city's electricity consumption. ²¹
City-wide greenhouse gas emissions		We have commissioned URS New Zealand to do our city-wide greenhouse gas inventories for 200/01, 2006/07, 2009/10 and 2012/13 using the latest international best practice methodology. This will be reported on in the 2013/14 Annual Report.
Fresh water biological health (macro invertebrates)	Greater Wellington Regional Council	(2005/06, 2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12) – Makara Stream: 100, 94, 96, 113, 112, 110, 120; Karori Stream: 93, 109, 88, 95, 82, 79, 95.5; Kaiwharawhara Stream: 91, 88, 96, 85, 91, 87, 86.7. Most recently available data are for 2011/12 year.
Fresh water quality	Greater Wellington Regional Council	(2006/2007–2008/09, 2009/10, 2010/11, 2011/12) Makara Stream: Fair, Good, Fair, Fair; Karori Stream: Fair, Fair, Fair, Fair; Kaiwharawhara Stream: Fair, Fair, Fair, Fair. Most recently available data are for 2011/12 year.
Residents' actions to reduce stormwater pollution.	WCC Residents' Monitoring Survey	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) Putting litter in a rubbish bin: 92%, 85%, 91%, 87%, 92%, 91%; Pouring all household liquid waste down inside sink, toilet or gully trap: 66%, 71%, 72%, 73%, 73%, 64%; Disposing of oil, paint, chemicals by putting them out with household rubbish or taking them for recycling: 57%, 68%, 69%, 67%, 74%, 49%; collect sweepings from driveway, paths or yard for composting or for disposal with your household rubbish: 56%, 62%, 62%, 60%, 65% 49%; Wash the car at the car wash or on the lawn: 43%, 52%, 52%, 45%, 49%, 30%; Washing paint brushes in an inside sink: 47%, 49%, 48%, 52%, 55%, 48%; Pick up droppings left by dogs: 23%, 23%, 26%, 30%, 28%, n/a
Total waste to landfill, per capita	WCC CitiOperations	2006/07 = 0.39 tonnes/person; 2007/08 = 0.36 tonnes/person; 2008/09 = 0.42 tonnes/person; 2009/10 = 0.41 tonnes/person; 2010/11 = 0.42 tonnes/person; 2011/12 = 0.43 tonnes/person; 2012/13 = 0.41 tonnes/person.
Residents' actions to reduce waste from homes (including recycling,	WCC Residents'	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) Use Council's kerbside recycling service:

²⁰ This figure does not include small scale renewables such as solar PV, microwind and solar hot water.

²¹ The vast majority of this renewable energy total is from Project West Wind, which connects into the national grid as opposed to Wellington city. This means that some electricity produced by West Wind will be consumed by other parts of the country.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
composting, etc).	Monitoring Survey	90%, 91%, 90%, 91% 92%, 86%; Donating things to second-hand shops/charities: 89%, 87%, 90%; 91%, 89%, 80%; Reusing plastic containers such as food containers: 87%, 88%, 88%, 92%, 90%, 85%; Buying refills: 75%, 66%, 73%, 74 %, 70%, 59%; Avoiding using plastic bottles or bags/use green bags: 57%, 57%, 59%, 58%, 49%, 34%; Taking things to recycling stations: 56%, 51%, 52%, 48%, 51%, 39%; Home composting: 44%, 48%, 47%, 50%, 50%, 41%.
New Zealanders' and residents' perceptions that Wellington is an eco-city	WCC Residents' Monitoring Survey 2013 and Arts Omnibus Survey 2013	2012/13 New Zealanders: 27% Residents: 29%
Energy-use, per capita (Wellington Region)	Wellington Electricity	2007/08: 6.6 MWh/person; 2009/10: 7.2 MWh/person; 2010/11: 7.0 MWh/person; 2011/12: 6.9 MWh/person; 2012/13: 6.7 MWh/person.
Number/sqm of 'green star' buildings/space in the city	New Zealand Green Building Council	2012/13: 15 buildings equalling 181,905 square metres in the city
Residents (%) who live in an insulated property	WCC Residents' Monitoring Survey 2013	(2011/12, 2012/13) Residents' who report their home as rarely or never: Cold: 30%, 27%; Damp: 63%, 60%; Hard to heat: 47%, 49%

Economic development outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Number of enterprises and jobs in the city and central city	Statistics NZ	(2013) City - enterprises: 25,086; jobs: 140,320. Central city – enterprises: 8,641; jobs: 96,410.
Visitor numbers – international (guest nights)	PWT	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) 716,614; 691,851; 692,202; 702,463; 776,834; 667,760.
Visitor numbers – domestic (guest nights)	PWT	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13): 1,223, 315; 1,268,426; 1,352,242; 1,280,162; 1,315,814; 1,373,613.
Accommodation (commercial) – occupancy rates and guest nights	Statistics NZ	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) Guest nights: 1,939,929; 1,960,277; 2,017,445; 1,982,625; 2,092,605; 2,041,371; Occupancy: 63%, 65%, 64%, 62%, 66%, 64% (Year-end April)

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Number of major conferences	PWT	2011/12 = 468; 2012/13 = 606 (year end March). ²²
Number of A-level events ²³ held in Wellington and their economic contribution	WCC Events	2007/08 = 5 A-Level events (\$30.5m); 2008/09 = 7 A-Level events (\$51m); 2009/10 = 9 A-Level events (\$34.8m); 2010/11= 9 A-Level events (\$23.7m); 2011/12 = 16 A-Level events (\$17m); 2012/13 = 9 A-level events (\$30.2m).
New Zealand's top 200 companies based in Wellington.	NZ Management Magazine	(2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13): 27, 29, 24, 24, 20, 18, 20
Business enterprises - births and growths (net growth in business)	Statistics NZ	Annual growth (business units): 2007/08 = 2.2%; 2008/09 = 2.2%; 2009/10 = 2%; 2010/11: -1.9%; 2011/12: 0.14%; 2012/13 = -0.04%. Net growth 2000–2010: 22%.
Growth in business and employees - 'smart' business	Market Economics	(2012/13) Number of smart businesses in the city: 4,507; Percentage of employees working in smart business sector: 11.6%
Domestic and international airline passengers entering Wellington Airport	Wellington International Airport	(2006/07, 2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13 - March year-end) Domestic: 4,060,313; 4,418,381; 4,644,505; 4,491,402; 4,479,664; 4,474,000; 4,647,000 International: 575,398; 603,344; 611,002; 626,365; 654,615; 718,000; 727,000
Free wifi usage (logons/day) – waterfront and central city	Citylink	(2012/13) Central city: total of 1,903,357 logons (5,214 per day) Waterfront: 106,659 (292 per day).
Residents who have access to broadband (%) including ultrafast	WCC Residents' Monitoring Survey	(2008/09, 2009/10, 2010/11, 2011/12, 2012/13): 79%, 86%, 86%, 90%, 97%.
Gross Domestic Product (per capita growth)	Infometrics	(2008, 2009, 2010, 2011, 2012/13) 1.21%, 0.90%, 1.01%, -1.45%, 0.2% Regional share of national employment: 12.2% (MBIE Regional Activity Report)
Educational achievement (degree level qualifications)	Statistics NZ	33% of Wellingtonians over the age of 15 have a Degree-level qualification or higher. (2006 census data -not updated)

²² The data we use for this measure is the number of multi-day conferences (events) held in Wellington. This has changed to previous years as a new national Convention Activity Survey (CAS) was initiated by MBIE and the NZ Bureaux (of which the Wellington Convention Bureau is a member). Therefore the data we previously used is not comparable to the new dataset.

²³ 'A level' events are defined as those events with a total funding spend of \$50K plus, excluding the iconic events, being WOW, Hertz Sevens & NZ International Arts Festival.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Labour force participation rate and youth NEET rates	Statistics NZ	(2012/13) Labour force participation rate: 71.5% Youth NEET rates: 9.9%
Income – household and personal	Statistics NZ	(2006 Census data): Median personal income: \$32,500; Median Household Income: \$72,200.
Ratio of income to cost of living for residents	Statistics NZ	Between 2011 and 2012, the ratio between earnings and cost of living increased by 0.8% (became more expensive).
Pedestrian counts – average of various Lambton Quay sites	WCC golden mile pedestrian survey	(2012/13) 2179 average hourly pedestrian counts for various Lambton quay sites Monday - Friday
Total value of exports (value and estimated tonnage)	Statistics NZ	Wellington Airport: Tonnage: 870, Value \$18.5 Million. Wellington Seaport: Tonnage 1.15M; Value \$989M.
Number of international air connections (by country)	Wellington International Airport	One - Australia
Businesses and employees engaged in research and development sector	Statistics NZ	(2008, 2009, 2010, 2011, 2012) Businesses: 152; 154; 149; 146; 152. Employees: 4,930; 4,840; 4,930; 4,990; 4,920.
Secondary (international) and Tertiary (international and domestic) students enrolled per 1000 residents	Education Counts	(2012/13) 346 International fee paying secondary school students Tertiary students: Domestic: 22,016; International: 2,589.

Cultural wellbeing outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents' frequency of engagement in cultural and arts activities	WCC Residents' Monitoring Survey	(2010, 2011, 2012, 2013) At least once a week: 11%, 11%, 9%, 7%; At least once a month: 41%, 36%, 39%, 30%; At least once ever six months: 31%, 33%, 31%, 32%; At least once a year: 8%, 9%, 9%, 15%; less often: 6%, 8%, 10%, 12%.
New Zealanders' and residents' perceptions that 'Wellington has a culturally rich and diverse arts	WCC Residents' Monitoring Survey 2013 and Arts Omnibus	New Zealanders (2007, 2008, 2009, 2010, 2011, 2012, 2013) 81%, 82%, 84%, 85%, 81%, 77%, 84%.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
scene’.	Survey 2013	Residents’ (2013: 92%)
Residents’ perceptions that Wellington’s local identity (sense of place) is appropriately valued and protected.	WCC Residents’ Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) 79%, 77%, 79%, 81%, 81%, 82%, 77%.
Number of events held at key venues ²⁴ .	Venues and Te Papa	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) 1,176; 1,361; 1,514; 1,489; 1,424, 1356
New Zealanders’ and Residents’ perceptions that ‘Wellington is the arts capital of New Zealand.’	WCC Residents’ Monitoring Survey 2013 and Arts Omnibus Survey 2013	New Zealanders (2007, 2008, 2009, 2010, 2011, 2012, 2013) 61%, 63%, 64%, 68%, 65%, 61%, 54%. Residents (2007, 2008, 2009, 2010, 2011, 2012, 2013) 76%, 77%, 80%, 81%, 79%, 79%, 70%.
New Zealander and Residents’ perceptions that ‘Wellington is the events capital of New Zealand.’	WCC Residents’ Monitoring Survey 2013 and Arts Omnibus Survey 2013	New Zealanders (2007, 2008, 2009, 2010, 2011, 2012, 2013) 37%, 39%, 42%, 53%, 42%, 37%, 29% Residents (2007, 2008, 2009, 2010, 2011, 2012, 2013) 63%, 65%, 70%, 64%, 60%, 51%
Residents’ (%) agreement with the statement that ‘Wellington is an easy place to get involved in the arts’	WCC Residents’ Monitoring Survey	(2013) 87%

Social and recreation outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents’ usage of WCC community facilities	WCC Residents’ Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) Community centre = 19%, 18%, 25%, 24%, 22%, 27%, 19% Community Hall = 18%, 15%, 20%, 23%,

²⁴ Key venues include: Westpac Stadium; St James Theatre; Opera House; Wellington Town Hall; Michael Fowler Centre; TSB Bank Arena and Te Papa

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
		22%, 28%, 17%
Residents' perceptions that they feel a sense of community with others in their local neighbourhood	Quality of Life Survey	(2006, 2008, 2010, 2012) 57%, 51%, 60%, 53%
Residents' perceptions that Wellington offers a wide range of recreation activities	WCC Residents' Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) 94%, 93%, 94%, 91%, 91%, 92%, 76%
Residents' frequency of physical activity	WCC Residents' Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) 80%, 72%, 73%, 75%, 77%, 76%, 64% (more than 2.5 hours per week).
Residents' perceptions of barriers restricting participation in recreation activities, for example, too busy, poor health, no facilities, parking, transport, weather, expense, etc.	WCC Residents' Monitoring Survey	(2010, 2011, 2012, 2013) Too busy: 28%, 26%, 20%, 47%; Poor health: 10%, 8%, 9%, 11%; Lack of motivation: 8%, 7%, 5%, 24%; Lack of parking/public transport/transport: 8%, 6%, 8%, 20%; Weather: 7%, 5%, 6%, 27%; Expense: 6%, 7%, 7%, 37%.
Residents' importance of sense of community in local neighbourhood	Quality of Life Survey	(2006, 2008, 2010, 2012): 69%, 59%, 70%, 75%
Residents' usage of WCC Libraries	WCC Residents' Monitoring Survey	(2008, 2009, 2010, 2011, 2012, 2013) 73%, 79%, 79%, 81%, 80%, 68%.
Residents frequency of visiting WCC Libraries	WCC Residents' Monitoring Survey	(2010, 2011, 2012, 2013) More than once a week: 10%, 7%, 8%, 5%; once a week: 16%, 19%, 17%, 10%; once every 2-3 weeks: 19%, 22%, 21%, 29%; once a month: 23%, 23%, 21%, 18%; once every 2-3 months: 14%, 15%, 15%, 19%; once every 4-6 months: 10%, 8%, 10%, 13%; less often: 8%, 7%, 9%, 6%.
Residents engaging in neighbourly actions	WCC Residents' Monitoring Survey	(2013) Spoken to a neighbour: 92%; given help to a neighbour: 58%; received help from a neighbour: 43%; participated in an activity with a neighbour: 28%; discussed emergency preparedness with a neighbour: 12%; none of the above: 7%
Types of social networks to which residents belong (i.e. community, sports, ethnic, etc)	Quality of Life Survey	(2006, 2008, 2010, 2012) School or work network: 62%, 67%, 65%, 58%; Hobby/interest group: 37%, 41%, 38%, 30%; Online community groups (eg Facebook): 20%, 38%, 59%, 51%; Sports club: 33%, 29%, 30%, 29%; Church/spiritual group: 32%, 26%, 23%, 19%; Community/voluntary group: 22%, 19%, 22%, 18%; Friends: 4%, 11%, 7%, 3%.
Ethnic diversity of the city's population and resident's values regarding diversity	Statistics NZ and WCC Residents' Monitoring Survey	30% of the city's population are non-European. 67% of residents' believe that different lifestyles and

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
		cultures make Wellington a better place to live.
Residents' perceptions of safety – central city and local neighbourhood (day and night)	WCC Residents' Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) Central city day = 99%, 96%, 99%, 99%, 99%, 97%, 98%. Central city night = 74%, 56%, 67%, 64%, 74%, 69%, 72%. Neighbourhood day = 99%, 98%, 98%, 100%, 98%, 98%, 99%. Neighbourhood night = 86%, 84%, 88%, 87%, 89%, 88%, 85%.
Resident perceptions – city safety issues of most concern ²⁵	WCC Residents' Monitoring Survey	(2010/11, 2011/12, 2012/13): Alcohol and drug problems: 62%, 67%, 54%. Dangerous drivers (including speed, drunk drivers): 57%, 55%, 34%. Threatening people/people behaving dangerously: 44%, 47%, 53%. Poorly lit/dark public areas (streets, paths, parks): 47%, 59%, 63%. Traffic including busy roads/lack of pedestrian facilities: 46%, 45%, 31%. Car theft/vandalism: 47%, 52%, 33%. Graffiti: 50%, 52%, 46%. Vandalism (broken windows in shops): 30%, 37%, 30%. Poorly maintained/dangerous public areas: 36%, 43%, 37%.
Crime – number recorded (resolution rate) – by category ²⁶	NZ Police	(2008, 2009, 2010, 2011, 2012) Offences against the person (% resolved): 7,052 (78%); 7,222 (80%); 6,959 (76%); 6,406 (77%); 5,837 (71%). Burglary/Theft: 21,657 (20%); 21,259 (21%); 19,733 (19%); 20,144 (19%); 17,606 (20%). Illicit drug offences: 1,897 (96%); 2,367 (97%); 1,907 (95%); 1,810 (96%); 2,603 (96%). Public order offences: 4,517 (86%); 5,108 (87%); 4,342 (86%); 4,056 (89%); 3,807 (85%).
Residents with home emergency items and plan	WCC Residents' Monitoring Survey	Items: (2010, 2011, 2012, 2013): 76%, 85%, 83%, 78% Plan: (2007, 2008, 2009, 2010, 2011, 2012, 2013): 33%, 36%, 45%, 48%, 65%, 59%, 42%
Number of notifications of the most prevalent food and water-borne diseases	WCC Building Consents and Licensing	2006/07 = 261; 2007/08 = 269; 2008/09 = 306; 2009/10 = 291; 2010/11 = 210; 2011/12 = 161; 2012/13 = 234. ²⁷
Life expectancy (with break-down)	Statistics NZ	Male: 1995–1997 = 75.4; 2000–2002 = 78; 2005–2007 = 80.1%. Female: 1995–1997 = 81.2; 2000–2002 = 82.5; 2005–2007 = 83.7%. (Census – not

²⁵ In the 2012/13 Residents' Monitoring Survey, residents were asked what issues were particularly concerning, as opposed to which issue was of 'most' concern.

²⁶ There has been an error in calculation of Burglary/Theft numbers in previous reports. The error has been corrected and data backdated accordingly.

²⁷ There has been a national increase in cases of the two most prevalent waterborne diseases – Cryptosporidium and Giardia. The Ministry of Health has increased education awareness on prevention as a result.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
		updated in 2011/12 or 2012/13).
Resident's perception of their 'quality of life'	WCC Residents' Monitoring Survey	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) 94%; 93%; 92%; 93%; 91%; 88%

Urban development outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Resident perceptions that Wellington is a great place to live, work and play	WCC Residents' Monitoring Survey	(2008, 2009, 2010, 2011, 2012, 2013) great place to live: 95%, 94%, 94%, 96%, 96%, 93%; great place to work: 80%, 78%, 75%, 74%, 69%, 66%; great place to play: 91%, 93%, 90%, 91%, 92%, 88%.
Value of commercial and residential building consents	Statistics NZ	(2009, 2010, 2011, 2012, 2013 March Year End). Commercial: \$318.7m, \$307.9m, \$263.8m, \$209.8m, \$208.7m. Residential: \$314.3m, \$210.8m, \$265.9m, \$231.5m, \$266.9m.
Population density – central city area, 'Growth Spine,' inner-city residential, outer residential, suburban centres (long-term indicator).	WCC GIS	(2001, 2006) Central city: 5,844; 8,547 people; 'Growth Spine:' 18,348; 22,293 people; Inner city: 23,559; 25,227 people; Outer residential: 98,718; 108,402 people; Suburban centres: 2,295; 3,105 people. (Census – not updated in 2011/12 or 2012/13).
Resident's perceptions of the city centre as an easy place to get to, use and enjoy	WCC Residents' Monitoring Survey	(2013): easy to get around: 81%; easy to access leisure activities: 74%
Resident's perceptions of urban design/urban form safety issues (ie graffiti, vandalism, poorly lit public spaces etc)	WCC Residents' Monitoring Survey	(2008, 2009, 2010, 2011, 2012, 2013) Poorly lit public areas: 53%; 48%; 57%; 47%; 59%; 63% Vandalism: 45%; 34%; 36%; 30%; 37%; 30% Graffiti: 64%; 56%; 48%; 50%; 52%; 46% Poorly maintained public areas: 42%; 34%; 41%; 36%; 43%; 37%.
% of city's population who reside in the central city	Statistics NZ	13,134 people reside in the central city ²⁸ , equating to 7.3% of the city's population.
Building density (buildings per hectare) – central city area, 'Growth	WCC GIS	(2010, 2011, 2012, 2013) Central Area – 1,904 (7.85 buildings per hectare); 1,884 (7.76 buildings

²⁸ Central city is defined as the Thorndon/Tinakori; Lambton; Willis St/Cambridge area units.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Spine, inner-city residential, outer residential, suburban centres (long-term indicator)		per hectare); 1,869 (7.70 buildings per hectare); 1,870 (7.7 buildings per hectare). Inner Residential – 10,652 (34.60 buildings per hectare); 10,633 (34.51 buildings per hectare); 10,578 (34.46 buildings per hectare), 10,577 (34.39 buildings per hectare). Outer Residential – 76,699 (21.84 buildings per hectare); 76,818 (21.88 buildings per hectare); 76,990 (21.96 buildings per hectare); 77,009 (21.9 buildings per hectare). Suburban Centres – 2,217 (7.37 buildings per hectare); 2,207 (7.34 buildings per hectare); 2,201 (7.32 buildings per hectare); 2,202 (7.32 buildings per hectare). Growth Spine – 10,172 (13.93 buildings per hectare); 10,153 (13.90 buildings per hectare); 10,124 (13.87 buildings per hectare); 10,131 (13.87 buildings per hectare).
Proportion of houses within 100m of a public transport stop.	WCC GIS	2006 = 48%; 2008 = 48%; 2010 = 48%; 2011 = 47%; 2012 = 46%; 2013 = 45%
Identified earthquake-prone buildings that have been strengthened/demolished	WCC Building Consents and Licensing	2009/10: 4; 2010/11: 11; 2011/12: 12; 2012/13: 44
Residents' perceptions that heritage items contribute to the city and local communities' unique character	WCC Residents' Monitoring Survey	(2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013) City: 91%, 86%, 91%, 95%, 91%, 88%, 91%, 92% Local community: 79%, 72%, 74%, 83%, 80%, 77%, 77%, 72%
New Zealanders perception that Wellington is an attractive destination	Colmar Brunton Omnibus Survey	(2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013) 81%, 75%, 79%, 80%, 82%, 75%, 77%, 78%.
Residents' rating of sense of pride in the way their city looks and feels.	WCC Residents' Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) 87%, 86%, 88%, 86%, 91%, 91%, 82%.

Transport outcome indicators

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Residents' perceptions that peak traffic volumes are acceptable	WCC Residents' Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) 55%, 58%, 64%, 66%, 75%, 73%, 57%
Total fuel used on Wellington roads, per capita	WCC Infrastructure Planning and Data	2008/09: 2,022 litres/person; 2009/10: 2,012 litres/person 2010/11: 1,934 litres/person; 2011/12: 1908 litres/person; 2012/13: 1,843 litres/person
Residents' perceptions that the city's transport system allows easy access from the suburbs to the city	WCC Residents' Monitoring Survey	(2007, 2008, 2009, 2010, 2011, 2012, 2013) 77%, 75%, 80%, 80%, 77%, 76%, 63%.

COUNCIL OUTCOME INDICATOR	SOURCE	DATA
Mode of transport used by residents to come into the CBD – by car, bus, walking, train, and cycling	WCC Residents' Monitoring Survey	(2008, 2009, 2010, 2011, 2012, 2013) Car: 46%, 36%, 35%, 29%, 36%, 33%; Bus: 28%, 33%, 38%, 31%, 33%, 34%; Walking: 15%, 17%, 16%, 26%, 16%, 20%; Train: 6%, 5%, 4%, 6%, 4%, 6%; Cycle: 4%, 4%, 4%, 4%, 5%, 3%.
Residents' perceptions that public transport is convenient and affordable	WCC Residents' Monitoring Survey	(2008, 2009, 2010, 2011, 2012, 2013) Convenient: 77%, 80%, 75%, 74%, 74%, 68%; Affordable: 75%, 72%, 68%, 55%, 51%, 40%.
Uses of public transport: buses, trains	Greater Wellington	(2013) Total passenger boardings: Bus = 23,608,000; Trains: 11,355,000 (Wellington Region)
Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter PM ₁₀)	Greater Wellington	(2009, 2010, 2011, 2012 Calendar years): Nitrogen dioxide (µg/m ³): Maximum: 100.1, 105.4, 93.7, 92.0; mean (annual): 27.4, 25.8, 24.4, 20.2. Carbon monoxide (mg/m ³): Maximum: 2.9, 3.2, 2.5, 1.9; mean (annual): 0.6, 0.6, 0.6, 0.4. Particulate matter PM ₁₀ (µg/m ³): Maximum: 31, 32, 34, 32; mean: 13, 13, 13, 13.
Number of road crashes resulting in injury	NZTA	(2007, 2008, 2009, 2010, 2011, 2012): Total: 521, 559, 433, 372, 314, 298. Fatal: 2, 5, 3, 3, 6, 2. Serious: 89, 88, 53, 55, 79, 77.
Social cost of all crashes – includes loss of life estimates and non-injury crashes.	NZTA	(2007, 2008, 2009, 2010, 2011, 2012) \$163m, \$168m, \$112m, \$104m, \$116m, \$98m. ²⁹
Residents perceptions of transport related safety issues (i.e issues of most concern)	WCC Residents' Monitoring Survey	(2007/08, 2008/09, 2009/10, 2010/11, 2011/12, 2012/13) Traffic or busy roads: 39%; 43%; 43%; 46%; 45%; 31%. Car theft or vandalism: 52%; 49%; 53%; 47%; 52%; 33%. Poorly lit or dark public areas: 53%; 48%; 57%; 47%; 59%; 63%. Dangerous driving: 56%; 51%; 58%; 57%; 55%; 34%.

²⁹ The calculation for this measure has been updated and recalculated for past years. It calculates the social cost of all crashes in Wellington city causing injury and non-injury.

Our environmental impact

We aim to achieve year on year improvements in our sustainable practices. We have an obligation to act sustainably, both as an organisation and as a service provider to the community.

One of the city's key strategic goals – adopted as part of our vision, Wellington Towards 2040: Smart Capital – is to be an eco-city. To meet this goal, Council is taking an environmental leadership role, proactively responding to environmental challenges and setting an example for others. This section provides an assessment of our corporate 'environmental footprint'.

We have measured our performance using corporate sustainability indicators that follow Global Reporting Initiative's Sustainability Reporting Guidelines¹. The indicators are:

greenhouse gas emissions

energy use

water use

paper use

waste produced and recycled.

Greenhouse gas emissions

The corporate emission reduction targets adopted by the Council are:

Year	2003	2010	2020	2050
Target (against base year)	Base year	Stabilise (0% increase)	-40%	-80%

Council's corporate greenhouse gas inventory covers all of the activities of the Council and its Council controlled organisations, in line with reporting requirements of the Greenhouse Gas Protocol. This includes emissions from water supply, stormwater and wastewater activities, as well as methane emissions generated by the collection and disposal of the community's waste in Council used landfills.

We will be engaging independent experts to review and audit our corporate greenhouse gas emissions. These audit results will be ready for public reporting in the 2013/14 Annual Report.

Energy use

We have undertaken a range of projects aimed at improving the energy efficiency of our operations which have achieved positive results. We have seen a decrease in both electricity and gas use from 2011/12 to 2012/13.³⁰

However, weather is a key variable in our 'business as usual' electricity and gas usage and is a contributing factor to the decrease over the past year. For example, while we did some gas efficiency work, the majority of the reduction can be attributed to the reduced need for heating due to the exceptionally warm weather.

Our energy management plan has implemented many electricity savings measures; however the impact of those savings measures has been lessened by the increase in demand for air conditioning over summer. However, overall usage has decreased which is a positive result.

Corporate energy use

Year	2009/10	2010/11	2011/12	2012/13
Electricity (kWh)	28,824,859	27,989,319	28,580,202	27,774,631
Gas (kWh)	19,515,668	17,394,927	17,583,849	15,875,753

Fuel use

There has been a declining trend in the use of fuel in our vehicles.

Since 2009/10, there has been a 28% reduction in petrol use and a 40% reduction in diesel use. These changes in petrol consumption can largely be attributed to the improvements in fleet management and utilisation, and procurement specifications of light vehicles. The decline in diesel use is largely due to changes in the landfill operations and confining the Council's bulk fuel reliance at the Southern Landfill to the composting operations. The bulk fuel volumes are set to reduce by 88%.

Corporate fuel use

Year	2009/10	2010/11	2011/12	2012/13
Petrol (litres)	188,806	168,906	155,276	134,772
Diesel (litres)	726,469	699,257	653,282	434,468

³⁰ Data reported in the rest of this section is for Council owned and run properties only.

Resource use

Water use has reduced by 4.8% in 2012/13 compared to 2009/10 however there was a slight increase from last year. This is mainly due to the drought conditions experienced and while there was a period where sportsfield irrigation stopped, it was not long enough to offset the extra usage up to that point.

Our paper use has steadily declined since 2009/10. We have continued to print more documents internally on demand, instead of completing large external runs. With regards to committee agendas we used to print 72 copies per meeting, we now only print 46 copies. With the introduction of Council DashBoard – the Cloud based solution to deliver meeting documents on iPads for the Mayor and Councillors we expect to see a further decline in the amount of printing required.

Corporate resource use

Year	2009/10	2010/11	2011/12	2012/13
Water-use (m3)	511,117	517,970	466,706	487,428
A4 paper (reams)	18,225	16,042	15,118	7,368 ³¹

For 2012/13 the organisation produced 273.33 tonnes of waste of which 160 tonnes (58%) was recycled.

Compared to the previous year our total waste has increased, however we have increased the amount we recycle – up 4% from last year.

Ongoing Projects

We have a range of projects in that, subject to partner funding, will help to reduce our environmental footprint further. These include:

- Extending LED lighting technology
- Pilot solar PV scheme
- Investigation into smarter streetlighting systems

³¹ We changed paper suppliers in December and to date the paper usage from January – June 2013 is not available. This figure represents our usage from July – December 2012.

Independent auditor's report

APPENDIX 2

AUDIT CLEARANCE

22 August 2013

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Kevin Lavery
Chief Executive
Wellington City Council
PO Box 2199
Wellington 6140

Dear Kevin

Audit for the year ended 30 June 2013

We have completed our audit work on the Wellington City Council and group's financial statements and performance information for the year.

Subject to:

- completion of final review clearance processes;
- Council adopting the annual report in its present form, and
- receipt of the letter of representation.

I expect to issue an unqualified audit opinion on 28 August 2013.

Yours sincerely



Andy Burns
Director