

ORDINARY MEETING

OF

STRATEGY AND POLICY COMMITTEE

MINUTES

Time: 9:30 am
Date: Wednesday, 16 December 2020
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

PRESENT

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon (via audiovisual link)
Deputy Mayor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting open at 10:41 am.

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

Secretarial note: The above karakia was read by all members at the Council meeting that opened before this meeting; hence not read again at the commencement of this meeting.

1.2 Apologies

No apologies were received.

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Day, seconded Councillor Matthews, the following motion

Resolved

That the Strategy and Policy Committee:

1. Approve the minutes of the Strategy and Policy Committee Meeting held on 10 December 2020, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

There was no public participation.

2. Committee Reports

2.1 Reports of the Finance, Audit and Risk Subcommittee Meeting of 12 November 2020

A. HEALTH AND SAFETY REPORT

Moved Councillor Day, seconded Councillor Condie, the following motion

Resolved

That the Strategy and Policy Committee:

1. Receive the information.

Carried

B. DRAFT ANNUAL REPORT 2019/20

Moved Councillor Calvert, seconded Mayor Foster, the following motion

Resolved

That the Strategy and Policy Committee:

1. Recommend that the Council confirm the Accounting Policies contained in the draft financial statements (Attachment 1 Section 4) for adoption for the financial statements for the year ended 30 June 2020.
2. Recommend that the Council adopt the draft Financial Statements and Statements of Service Provision for Wellington City Council and Group within the draft Annual Report for the year ended 30 June 2020, subject to any matters identified during the meeting and receiving final audit clearance from Audit New Zealand.
3. Recommend that the Council adopt the **amended** Annual Report for Wellington City Council and Group for the year ended 30 June 2020 (Attachment 1 **and tabled information relating to Wellington Water Limited key non-financial performance results**).
4. Recommend that the Council delegate to the Chair of the Finance, Audit and Risk Subcommittee and the Chief Executive Officer the authority to make minor editorial changes that may arise as part of preparing the 2019/20 Annual Report document for publication.

Carried unanimously

Attachment 1

Amended Annual Report for Wellington City Council and Group with tabled document

Secretarial note: Councillor Calvert moved the original subcommittee recommendation with minor amendments (as marked in red and tabled to the attachment) for the purpose of clarifying the intent of the report to ensure appropriate process is followed, in accordance with standing order 21.8.

The meeting concluded at 11:00 am.

Authenticated: _____
Chair

Attachment 1

Te Pūrongo ā-Tau 2019/20 Annual Report 2019/20

Kia whakatōmuri te haere whakamua

My past is my present, is my future.

The kaupapa (theme) for this year's report is based on the whakataukī, **kia whakatōmuri te haere whakamua**, which speaks to Māori perspectives of time, where the past, the present and the future are viewed as intertwined, and life as a continuous cosmic process. The past is central to and shapes both present and future identity.

In an unusual year, we must reflect on the challenges and opportunities we faced and be strong in leading our city forward into our Long-term Plan review in 2020/21. We do not simply want to return to life before COVID-19 or ignore our infrastructure and resilience challenges – we want to create a better city fit for the future. From this perspective, the we will carry the past events into the future as a strong foundation for success.

Nau mai - Welcome

Nau mai ki tā mātou tirohanga rāpopoto o te tau 2019/20. Welcome to our snapshot of the 2019/20 year.

Our city

Located at the heart of New Zealand, Wellington is the southern-most capital city in the world, and the centre of the country's government, coffee and film industries.

Its unique landscape features bush covered hills, rivers and streams, a large natural harbour, rocky and sandy coastlines and a growing population of wildlife. It is the pride and taonga of many Wellingtonians and is actively protected, nurtured and restored.

Through centuries of settlement by Māori and then Pākehā, the area has quickly developed into a creative and vibrant city.

[Infographic displaying the numbers below]

Wellington at a glance¹

- Population: 210,400
- 51.4 percent of the population under 35
- 14.9 percent over 60
- 10.1 percent of Māori descent
- 33.4 percent of Wellingtonians born overseas
- 2,207 sunshine hours a year²
- 98.9km of coastline
- 355km of walking and biking tracks
- 105 playgrounds
- 202sqm of open space per person
- 1,800 hospitality businesses³
- Average household income: \$110,446⁴
- Median house price: \$825,000⁵

We acknowledge our mana whenua

The Waitangi Tribunal found that at 1840 the iwi groups that had “take raupatu” (right of conquest) over the wider area were: Te Atiawa, Ngāti Ruanui, Taranaki, Ngāti Tama and Ngāti Toa. The Tribunal also found that these iwi each had their own ahi kā (rights over particular areas):

- Te Atiawa at Te Whanganui-a-Tara and parts of the south-west coast
- Taranaki and Ngāti Ruanui at Te Aro
- Ngāti Tama at Kaiwharawhara and environs, and parts of the south-west coast
- Ngāti Toa at parts of the south-west coast.

These tribes are Wellington's iwi mana whenua and we work with their mandated iwi entities, the Port Nicholson Block Settlement Trust and Te Rūnanga o Toa Rangatira.

¹ Figures in this section from Profile ID and 2018 and 2013 census

² WCC 4251 total hectares divided by 2019 population 210,400

³ Coastline, tracks, playgrounds, reserve and hospitality businesses data from WCC Sources

⁴ Regional figure, StatsNZ household income as at June 2019

⁵ REINZ Monthly Property Report 14 July 2020

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Section 1: Summary of our year

I tēnei wāhanga

Kei tēnei wāhanga he tirohanga whānui te tau nā te Koromatua me te Tumu Whakarae, te tirohanga whānui ki tō mātou pakihi matua, he whakarāpopoto hoki i ā mātou whakatutukinga i tēnei tau.

In this section

This section includes an overview of the year from the Mayor and Chief Executive, the highlights and challenges, our Council vision, overview of our core business, and summaries of our performance this year.

Mayor's report

Welcome to the snapshot of the 2019/20 year – and what a year it has been. We had the local body elections, the Botanic Garden's 150th anniversary, a full summer of events including Black Caps and White Ferns double headers and the Queen and Adam Lambert concert, but in March, COVID-19 changed the world in a way no one predicted. That seems a very long time ago.

Our resilient community

When the Government announced the lockdown, Council acted quickly to develop a Pandemic Response and Recovery Plan to support Wellington residents and businesses. This included initiatives like reducing timeframes for payments to suppliers, providing the ability to defer 2019/20 fourth quarter rates for six months without penalty, and reducing alcohol and food licence fees to support the hospitality sector.

The Council was heartened that Wellingtonians were resilient during and after lockdown. To ensure people were confident and supported to get out and about we offered free entry to many of our facilities, including the Zoo and Zealandia. I know thousands enjoyed taking up these opportunities and it was a joy to watch the city come alive again.

In 2020/21, we will continue to focus on recovery and community to get the heart of our city pumping strongly again. For example, WellingtonNZ is working on an events programme aimed at supporting the retail and service sectors.

The year that was

While the year was challenging and significantly impacted by COVID-19, it was not without its highlights, including:

- opening the strengthened and refurbished Museum Stand at Basin Reserve;
- beginning the construction of Tākina Convention & Exhibition Centre;
- making significant progress on cycleways around the coast from Oriental Bay to Wellington Airport; and
- opening three new library facilities: Waitohi Community Hub in Johnsonville, He Matapihi Library in the National Library and Te Pātaka distribution centre in Johnsonville. We also opened Te Awe Library opened in July 2020.

In December and January we were faced with two high-profile wastewater pipe failures that created disruption for businesses and residents and raised questions about the condition and performance of our water network. Wellington Water did an extraordinary job in repairing these. We also immediately invested in the funding for condition assessment and roving crews. I convened a Taskforce to inquire into the problems relating to water issues in Wellington and identify initiatives to address these through the long-term planning process. The outcome of this will be presented to Council later in 2020.

Future planning

In the next year we are reviewing some of our key Council documents. Firstly, the District Plan, which sets the rules for the city's development. This review will ensure the plan is able to support our vision for the future. Secondly, we will be reviewing our Long-term Plan. This review will be significant as it will consider how our budget will be impacted by the challenges that we have faced this year. This will be the most challenging budget our city has ever faced.

The community will be able to engage with us and pass on feedback for both reviews, and I encourage all of you to do so. These documents will set out our city's future and we want to make sure we have heard from you on your dreams and aspirations for our capital.

CE's report

I stepped into the role of Chief Executive in March 2020, just three weeks before the city went into lockdown in response to COVID-19. The fourth quarter of this year was a time of uncertainty for all of us, but I am incredibly proud of the way both Wellingtonians and the Council team have risen to the challenge.

It was important that while the city stayed at home, we ensured essential Council services continued to operate. This included keeping our streets open and safe, managing waste, operating cemetery services, and providing support to our community.

Within two days of the move to Alert Level 4, we had transitioned the majority of our office-based staff to working from home, closed facilities, communicated with residents, and taken steps to ensure essential services staff and contractors were able to continue to work safely in the community.

Throughout this time, we collaborated closely with other agencies across the region to ensure we kept Wellington safe and looked after our most vulnerable citizens.

Alongside community partners, Council staff responded quickly to step up support for those in need. Some of the initiatives led by our team included helping ensure emergency food supplies were available throughout lockdown and developing an interactive online map showing how to access essential and community services.

Finances

COVID-19 not only impacted our communities and staff but also our finances. Non-rates revenues reduced as facilities closed, other fees and user charges were suspended, and there was a reduced Wellington International Airport Ltd dividend. While the loss in revenue was less than expected, because of the quick transition to Alert Level 1, \$13.6m is still a significant impact. Recognising this was indeed a rainy day, we borrowed money to cover this lost revenue.

Debt was also raised to fund \$10.1m in other unplanned, emergency operational work to repair the Mt Albert wastewater tunnel. We are committed to cost savings to offset these impacts, while also balancing the increasing costs of delivering existing services and responding to earthquake and resilience issues. The next few years will challenge us financially as we work to deliver for our city, but with this comes the opportunity to make sure we are performing at the top of our game and focussing on the things that matter to Wellingtonians.

Wellington City Council is committed to working better together with our community to deliver great outcomes and excellent services to our customers. This means continuing to deliver those elements of our work that sit at the heart of our city's day-to-day operations – keeping our pools, libraries and other community facilities running; maintaining waste management, traffic management and car parking; and the aspects of our work that make Wellington a vibrant and special place to live including events, natural spaces and city arts.

Just as importantly, there is much work to do as we look ahead to shaping our city's future and planning for the impacts of a growing population, aging infrastructure and climate change. This will be a focus for me in my role as Chief Executive and my team at Wellington City Council as we work together for Wellington's future.

Nāku iti noa, nā

Barbara McKerrow

Our role

Our role is to support the current and future needs and advance the aspirations of our communities, the city and the region.

The Council delivers an extensive range of services to achieve this – from parks and cemeteries to parking and pools, from water supply and waste management to cycleways and road safety. We also have projects and initiatives that actively support the city's economic growth and cultural development.

We are also responsible for controlling and regulating activities such as building, land use, noise, food preparation, liquor sales, and ownership of dogs and other animals.

The Local Government Act 2002 sets our statutory role as being:

- to enable democratic local decision-making and action by, and on behalf of, the people of Wellington
- to promote the social, economic, environmental, and cultural wellbeing of the people of Wellington, in the present and for the future.

Our strategic direction

In 2012, the Council adopted its '*Towards 2040: Smart Capital*' vision: ***A compact, smart, inclusive and resilient capital where it is easy to live, work and play safely and sustainably.***

Towards 2040: Smart Capital outlines Wellington's strengths and what we will work on to help achieve economic growth, greater success and an improved quality of life for all Wellingtonians.

Towards 2040 also reflects a set of values that strengthens the city's special character and identifies four strategic goals (outcomes) for the city:

- **People-centred** – a city that is healthy, vibrant, affordable, accessible and resilient, with a strong sense of identity and place
- **An eco-city** – a city where natural resources are proactively protected, where environmental challenges are addressed and the transition to becoming a low-carbon city is managed
- **Connected** – a city with easy access to regional, national and global networks that allows people and goods to move freely, and world-class infrastructure that enables people to connect with each other and their communities
- **Dynamic central city** – a place of creativity, exploration and innovation that offers the lifestyle, entertainment options and amenities of a much bigger city and where the city centre drives the regional economy.

We actively monitor several outcome indicator trends alongside our Council KPIs that help us understand how the city is changing and how we are going towards achieving these goals. This year, the monitoring of these trends and the results have been impacted by COVID-19, with details in Section 2: Our performance in detail, pg X to X.

The goals guide our seven strategic activity areas, which are presented in separate chapters in this annual report. They highlight the variety of activities that we deliver and the progress we are making towards the outcomes.

Summary of our performance

Introduction

During the year, we continued to deliver our services well, however there were some significant challenges that impacted how we operated, including COVID-19 (see pg X).

While we progressed several citywide capital works initiatives during the year, costing more than \$213m, sustained delivery of the capital works programme was challenging with only part of the impact due to COVID-19. At end of the year, we had a 20 percent under delivery on our Council capital programme covering several activity areas (see pg X for details).

Material Issues

To perform effectively as a Council, we need to understand Wellington. Not just our infrastructure, services and facilities, but also the changes the city and communities experience and how these and the associated challenges will shape the future.

This year's report theme emphasises the need to learn from the challenges we faced this year to ensure our city is resilient going forward. The two challenges outlined below had significant impacts on the Council's performance during the year.

The COVID-19 pandemic

On 25 March, New Zealand went into lockdown for over a month to stop the spread of COVID-19. This had an immediate and adverse impact on the city's development and social, environmental, economic, and cultural wellbeing. The lockdown closed facilities, disrupted the delivery of services to residents, and delayed significant capital projects.

The Council quickly developed a Pandemic Response and Recovery Plan to support Wellington residents and businesses which included direct financial support, provision of wellbeing services, and economic recovery and support initiatives. The plan we implemented can be viewed online at wcc.govt.nz/covid-19

The pandemic affected the operation of all our 400 services and their KPIs in different ways. We stopped some services, operated others in a reduced capacity, and introduced new services to support our community, including the following changes during Level 4 lockdown:

- Public toilets closed, except those used by the street community
- Most facilities closed, including playgrounds, pools, fenced dog parks, the golf course, Makara Mountain Bike Park, Zoo and ZEALANDIA.
- Kerbside rubbish collection continued, but recycling was stopped
- Southern Landfill closed to public, open to commercial customers
- Work on capital projects stopped
- Online library membership opened to non-members
- 38 self-contained units opened to support homeless population
- Helped create the Rippl app for contact tracing
- #LoveLocal and We Wellington campaigns to assist local economy

The COVID-19 lockdown had a significant impact on the Council's non-rates revenue for the year as a result of lost revenue from facilities being closed; and additional spending on initiatives agreed by the Council to ease the impact of lockdown on the city such as reducing fees for alcohol and food licence fees and providing a rebate for pavement licence holders. The overall impact was a \$13.6m revenue loss. More detail on the financial impact is on pg X.

The pandemic also impacted our non-financial performance with a 17 percent decrease in the measures that were achieved (within 10 percent of target) or exceeded by 10 percent when compared to last year.

More details on the impact of the pandemic is included in Section 2 of this report.

Three waters network

No city can function effectively without a reliable and fully functioning three waters network, which is made up of drinking water, stormwater and wastewater. Our water infrastructure and services are managed by Wellington Water Limited, a Council-controlled organisation co-owned by councils in the Greater Wellington region. Wellington Water Ltd has its own board of directors.

In 2019/20, the city experienced some large-scale network failures that created disruption for communities and businesses, and raised questions from the public, the media and Councillors about the condition of our network and how it is being managed.

On 20 February, Mayor Andy Foster announced the establishment of a Mayoral Taskforce to inquire into the problems with our water network and how we can address them. The Mayoral Taskforce will report back to Council in late 2020.

The failures in the three waters network have impacted the performance in our Environment and Infrastructure activity area, see pg X.

Our Performance

Performance measures

Our key performance measures (KPI) and their targets are how we track and assess the delivery of Council services.

Of Council's 227 key performance indicators with an available result:

- 84 (37 percent) did not meet target by greater than 10 percent;
- 104 (46 percent) were achieved within 10 percent of target +/-
- 38 (17 percent) exceeded target by greater than 10 percent

The COVID-19 did impact the overall result. This year 63 percent of KPIs were achieved (within 10 percent of target) or exceeded by 10 percent. Last year the result was 82 percent.

A common performance measure used by Council is visitor numbers or utilisation rates of our facilities. This includes facilities like swimming pools, libraries, sports-fields and recreation centres. These measures were impacted due to COVID-19 lockdown.

Leading into the pandemic, the performance of the Council was broadly consistent quarter on quarter with previous years. However, some KPIs were immediately impacted meaning the performance at Q3 and end of year decreased.

- In quarter three: 66 percent of KPIs were achieved or exceeded,
- In quarter two: 77 percent of KPIs were achieved or exceeded; and
- In quarter one: 79 percent of KPIs result were achieved or exceeded.

Community outcomes

In addition to our key performance indicators, we also track progress towards our 154 community outcome indicators.

Outcome indicators do not measure Council services, but instead track how the city is performing over time towards our goals of being an eco, people-centred, dynamic and connected city, and

therefore do not have targets. By the end of the financial year, 20 percent (31 out of 154) of those indicators were trending in the desired direction, with 11 percent (17 out of 154) presenting negative trends. There were no conclusive trends for the remaining 6 percent (106 out of 154) outcome indicators, which is a larger group than last year (65 percent).

More information on our 2019/20 performance measure results and outcomes for each activity area are included in the following pages and in Section 2: Our performance in detail on page X to X. It also outlines key variance commentary for results.

Summary of what we do

Most of the work we do, our budgets and the services we provide are in seven activity areas that represent how we work.

In the 'Our performance in detail' section of this report we outline each activity area, including an overview of the highlights, challenges, performance information and what the activities cost. This 2019/20 Annual Report is a report against year two of Our 10-Year Plan 2018-2028.

The next section provides an overview of our performance by activity area.

Governance

We inform residents and engage with them about the city and the issues it faces, manage local elections, and work with mana whenua to make decisions for the city and its people.

What we did

- Held local Council elections in October 2019
- Moved all decisions and community engagement online during COVID-19 lockdown
- Agreed a Pandemic Response & Recovery Plan to support the city
- Implemented Archives Online to enable digital access to our information
- Work continued with Te Tauihu revitalisation through annual events and increasing bilingual signage in facilities.

Performance results

| | |
|----------|-----|
| Achieved | 50% |
| Not met | 43% |
| Exceeded | 7% |

Environment and Infrastructure

We manage waste reduction and disposal, fund conservation attractions, and look after parks, reserves, tracks and walkways. Through Wellington Water Ltd, we provide water, stormwater and wastewater services.

What we did

- Water disruptions and wastewater network failures occurred in Dixon Street and in the Mt Albert tunnel. These were repaired and resolved during the year.
- Upgraded Makara Peak Mountain Bike main entrance and carpark
- Made entry to the Zoo and Zealandia free for a time to encourage people out into the city after lockdown.

Performance results

| | |
|----------|-----|
| Achieved | 46% |
| Not met | 26% |
| Exceeded | 29% |

Economic Development

We attract and support business activity, market Wellington to tourists from New Zealand and overseas, and own and operate performance venues and conference facilities.

What we did

- Construction of Tākina Convention & Exhibition Centre and St James Theatre strengthening progressed during the year. There was a delay during lockdown and both projects restarted in Level 3.
- Provided commercial rates deferral for the fourth quarter, a \$Xm recovery fund, a rebate on some fees to support the hospitality sector, and launched #LoveLocal to supporting local businesses.

Performance results

| | |
|----------|-----|
| Achieved | 50% |
| Not met | 30% |
| Exceeded | 20% |

Cultural Wellbeing

We fund city events and festivals. We also support attractions, galleries and museums, as well as community art and cultural activities.

What we did

- Had a full summer of events, but some events in the last months of the year were cancelled or postponed
- Other events like Matariki were reimagined because of COVID-19 restrictions. The final event (held in July 2020) included the best of physical and online activities.

Performance results

| | |
|----------|-----|
| Achieved | 29% |
| Not met | 57% |
| Exceeded | 14% |

Social and Recreation

We provide community and social facilities, including libraries, community centres, swimming pools, sportsfields and playgrounds. We also provide social housing, work to reduce homelessness and begging, and improve city safety.

What we did

- Approved additional grant funding for community and social service organisations
- Worked with community partners to ensure everyone was homed during the lockdown
- Completed seismic strengthening and refurbishment of the Museum Stand at the Basin Reserve
- Opened Waitohi Community Hub in December 2019. It includes Keith Spry Pool, Johnsonville Library, Waitohi Kindergarten, Common Ground Café, and Johnsonville Community Centre.

Performance results

| | |
|----------|-----|
| Achieved | 39% |
| Not met | 45% |
| Exceeded | 16% |

Urban Development

We manage urban planning and design, control building activity and land use, and assess risks from earthquake-prone buildings. We also develop and enhance public spaces.

What we did

- Progressed the draft Spatial Plan to draft form, but formal consultation was delayed until August 2020 due to COVID-19
- Grey Street Pocket Park was upgraded to include new paving, seating, trees, and improved lighting

Performance results

| | |
|----------|-----|
| Achieved | 56% |
| Not met | 28% |
| Exceeded | 17% |

Transport

We provide and maintain roads, bridges, tunnels, walls, cycleways, and pedestrian paths. We provide bus shelters, bus stops and bus lanes, and signs and traffic signals. We also provide parking and enforcement services.

What we did

- Implemented a lower 30kmh speed limit on South Coast and Miramar Peninsula roads during the lockdown because of an increase in pedestrians and cyclists
- Arranged the Courtenay Place weekend closure to traffic to support local bars and restaurants
- Progressed business cases for LGWM and agreed a new Relationship and Funding Agreement for the detailed investigation phase.
- Completed the earthquake strengthening of the Seatoun Tunnel and retaining wall on the Strathmore side.

Performance results

| | |
|----------|-----|
| Achieved | 60% |
| Not met | 40% |
| Exceeded | 0% |

Our Finances

| | |
|---|--|
| <p style="text-align: center;">-\$27.5m</p> <p style="text-align: center;">Underlying result for 2019/20</p> <p>The underlying deficit excludes non-funded or separately funded items, capital funding, ring-fenced activities. The above result includes \$23.7m of operating expenditure (\$10.1m related to the Mt Albert wastewater tunnel and \$13.6m of revenue losses associated with COVID-19), which the Council has chosen to debt fund.</p> | <p style="text-align: center;">\$7.14</p> <p style="text-align: center;">Operational cost of Council services per resident per day</p> <p>Our services include managing and maintaining facilities like libraries and sportsfields, keeping our roads and footpaths at a high standard, and supporting arts, cultural and sporting events. This figure excludes costs related to asset impairments.</p> |
| <p style="text-align: center;">\$548.4m</p> <p style="text-align: center;">Cost of running the city</p> <p>Our total operating expenses for the year were \$548.4m. This figure excludes \$10.2m related to asset impairments, largely related to the Te Ngākau Civic Precinct.</p> | <p style="text-align: center;">\$213.1m</p> <p style="text-align: center;">Capital spend</p> <p>We spent \$213.1m on building new assets for the city. This was lower than our planned \$267.8m as a result of COVID-19 delays and the re-phasing of some projects over a longer period of time.</p> |
| <p style="text-align: center;">\$647.4m</p> <p style="text-align: center;">Net borrowing position</p> <p>This is an increase of \$102.7m from last year, which equates to \$3,077 per person in the city. We use borrowing to spread the cost of new facilities or infrastructure over the multiple generations that will benefit from that facility or infrastructure.</p> | <p style="text-align: center;">\$7.8 billion</p> <p style="text-align: center;">Assets</p> <p>The Council provides several services to the city through infrastructure networks and facilities. These have been built up over many generations and equate to about \$37,000 net worth of value for every person in the city.</p> |
| <p style="text-align: center;">\$1:\$1</p> <p style="text-align: center;">Debt servicing costs to investment returns</p> <p>For every \$1 the Council incurs on paying interest on debt, it receives \$1 from its investments. Investment income was down on budget due to the impact of COVID-19.</p> | <p style="text-align: center;">AA</p> <p style="text-align: center;">Credit rating</p> <p>The Council is in good financial health – it has an AA credit rating with Standard & Poor's.</p> |

Overview

For the financial year Council has achieved an underlying deficit of \$27.5m.

The operating surplus of \$15.1m includes \$10.2m of asset impairments, largely related to the Te Ngākau Civic Precinct, as well as revenue losses resulting from COVID-19. This was offset by insurance proceeds recognised of \$33.0 million related to the CAB building. Our financial position remains healthy. Council debt is within our borrowing policy and we have investments that provide returns equal to our debt servicing costs. Accordingly, we have maintained our AA credit rating with Standard & Poor's, the highest for a public sector entity.

Key influences on our overall financial performance and position were:

- recognition of insurance proceeds related to CAB of \$33.0m
- the revaluation of investment properties, which increased the value of our assets by \$7.6m;
- impairments of Property, Plant and Equipment including Te Ngākau Civic Precinct buildings, totalling \$10.2m; and
- the impact of the COVID-19 pandemic resulting in revenue losses totalling \$13.6m.

Our underlying operating result

The underlying operating result provides a comparison with the rates requirement we budgeted for in our Annual Plan to achieve a balanced budget. It shows how closely our annual revenue matches how much we spend in any given year.

A balanced budget helps ensure that we are not passing the costs of running the city today onto future generations and imposing future costs on current generations. On the other hand, we also need to ensure that the current generation pays its fair share and the Council does not pass on current costs to future generations. Therefore, our goal is to have an underlying surplus or deficit close to zero.

This year we got very close to a breakeven result, with an underlying deficit of \$3.8m, within 0.7 percent of our planned balanced budget.

To get from net surplus/(deficit) to underlying result, the following are excluded:

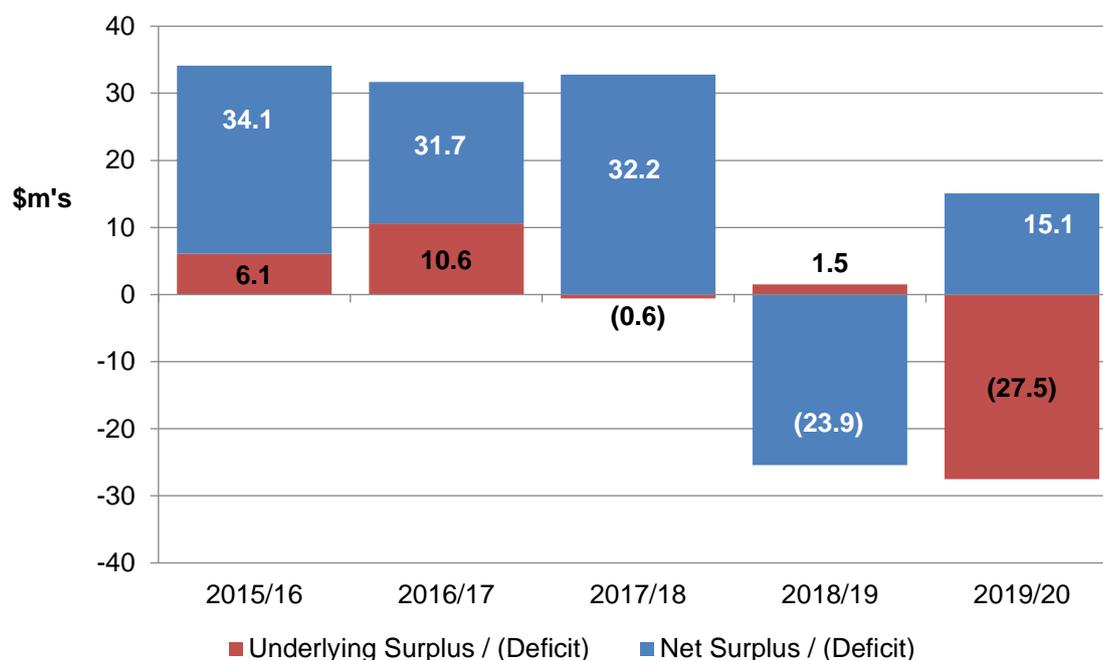
- revenue received for capital items, for example, funding received from NZTA for roading
- non-funded transactions – either where, through the Annual Plan, it was deemed appropriate that future ratepayers shared the costs incurred in a particular year, or where another organisation was liable for the funding
- separately funded items where funding was through other mechanisms
- ring-fenced activities for housing and waste minimisation
- insurance proceeds related to CAB
- items that Council decided to debt fund during the year, in 2019/20 this includes the Mt Albert wastewater tunnel repair and the revenue losses associated with COVID-19.

These items are excluded because they generally don't affect rates and were excluded from our Annual Plan balanced budget calculation. Table 1 summarises the capital and non-funded adjustments made to the net surplus/(deficit) to arrive at the underlying result.

Table 1: Summary of the underlying result (\$m)

| Underlying result | Actual | Budget | Variance |
|---|---------------|------------|---------------|
| Reported net surplus / (deficit) | 15.1 | (8.5) | 23.6 |
| Add items or budgeted differences not required to be rates funded | 19.6 | 12.7 | 6.9 |
| Exclude government funding for capital projects | (31.3) | (33.7) | 2.4 |
| Items separately funded | (9.2) | (9.2) | 0 |
| Ringfenced activities | 2.5 | 26.7 | (24.2) |
| Insurance proceeds | (33.0) | 0.0 | (33.0) |
| Other adjustments | 8.8 | 12 | (3.2) |
| Underlying surplus / (deficit) | (27.5) | 0.0 | (27.5) |
| Debt funded items from 2019/20: | | | |
| - Mount Albert opex spend | 10.1 | 0.0 | 10.1 |
| - COVID-19 revenue loss | 13.6 | 0.0 | 13.6 |
| Remaining underlying surplus / (deficit) | (3.8) | 0.0 | (3.8) |

Figure 1: Net surplus/(deficit) vs underlying result over the past 5 years (\$m)



Refer to Table 1 for explanation of movement from reported net surplus/(deficit) to underlying surplus/(deficit). Zero on the Figure 1 graph represents a balanced budget. For 2019/20 we achieved an underlying deficit of \$3.8m, once one-off debt funded impacts are removed, which is less than 0.7 percent of operating expenditure and reflects the careful stewardship of revenue and expenditure against budget.

Summary of revenue

Figure 2 below shows that rates are our main source of funding (56 percent of \$573.7m) with revenue from operating activities (including user fees) the next largest source (26 percent). We also receive revenue from other external sources (mainly government) to fund capital expenditure, revenue from interest and dividends. In 2019/20 there is also \$33.0m of insurance proceeds within Other Revenue related to CAB.

Figure 2: Overall sources of revenue for the past 3 years (\$m)

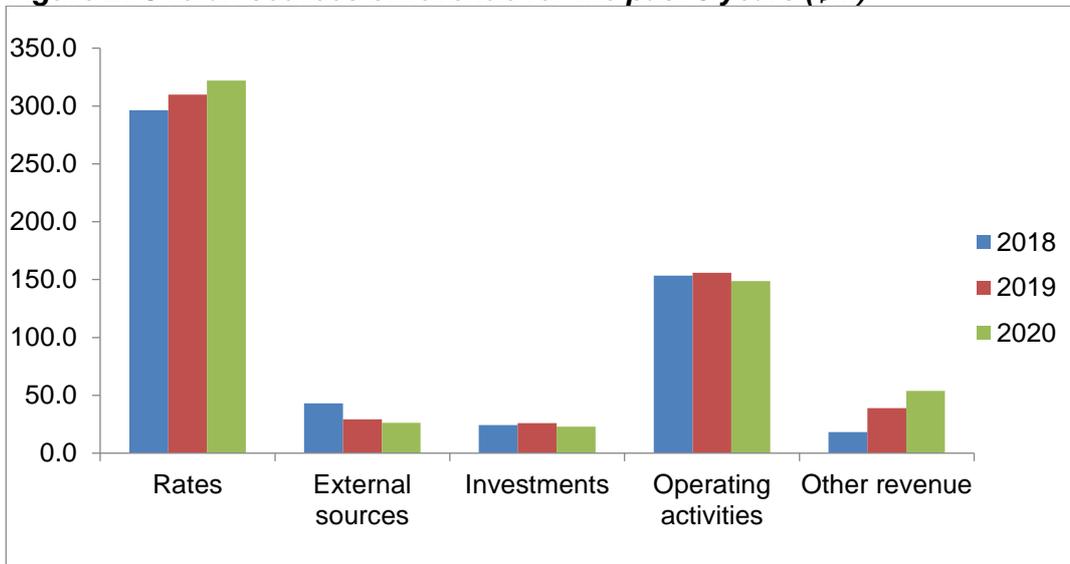


Figure 3: Sources of Council's rates revenue for the year (\$m, percent)

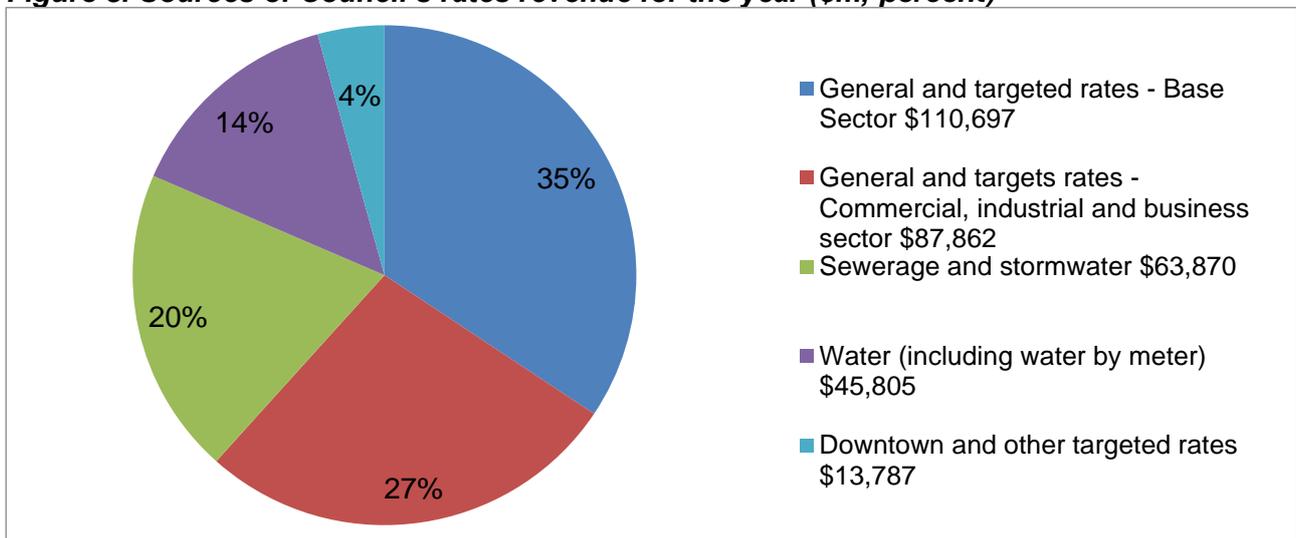


Figure 3 shows the sources of the Council's rates revenue for the year. The majority of the Council's \$322.0m of rates revenue received during the year was from general rates. Other sources were sewerage and stormwater targeted rates, with the freshwater provision making up most of the balance.

In 2019/20, the Council received higher revenues than budget, major variances included:

- recognition of insurance proceeds related to CAB not in the budget (\$33.0m)
- vested assets revenue not in the budget (\$7.6m)

Some areas were lower than budget:

- dividends from our investment in Wellington International Airport Ltd (\$2.5m)
- lower than budgeted revenue from COVID-19 lockdown and requirements around limiting numbers and social distancing at Council venues under Alert Level 2 (\$13.6m)

Summary of operating expenditure

Figure 4 summarises the difference between the actual and budgeted net expenditure for each strategy area. It shows how the Council has prioritised its spending to support the operational and strategic direction set in the Annual Plan. Net expenditure is calculated by offsetting activity expenditure with user charges and other direct activity income. This is the amount that is funded by rates and other corporate revenue such as dividends and rental income.

Details of the financial performance against budget for each activity can be found in the “Our performance in detail” section on pages X to X.

Figure 4: Difference between actual and budgeted net expenditure (\$m)

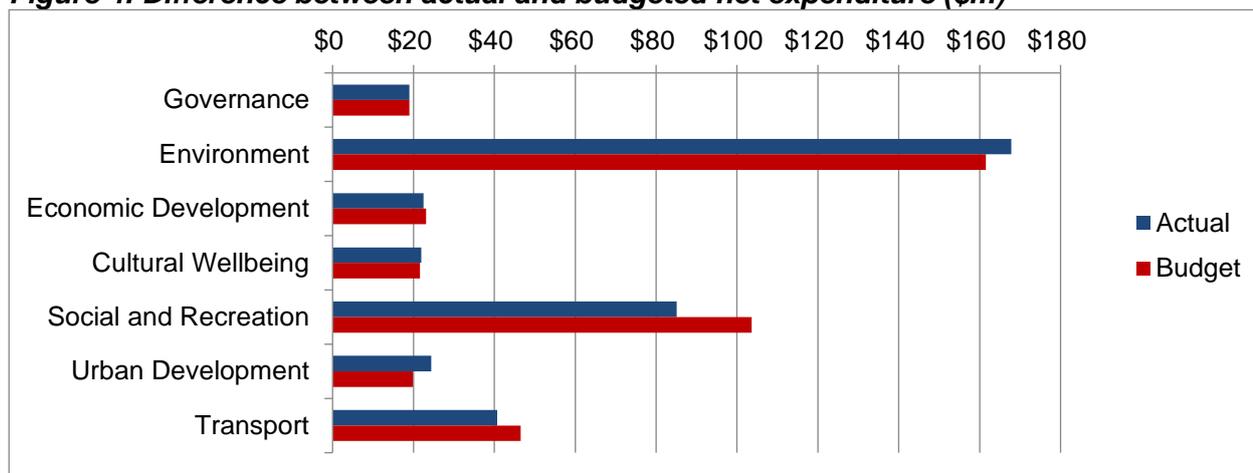


Table 2: Gross operational expenditure by activity area (\$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | Variance to budget |
|---------------------------------|----------------|----------------|----------------|----------------|--------------------|
| Governance | 17,519 | 17,982 | 19,776 | 19,901 | 125 |
| Environment & infrastructure | 169,254 | 180,748 | 198,522 | 182,721 | (15,801) |
| Economic development | 37,051 | 34,954 | 31,206 | 38,108 | 6,902 |
| Cultural wellbeing | 21,256 | 23,268 | 22,478 | 22,595 | 117 |
| Social & recreation | 115,358 | 134,717 | 126,047 | 144,337 | 18,290 |
| Urban development | 29,403 | 30,709 | 36,531 | 34,069 | (2,462) |
| Transport | 69,480 | 74,559 | 79,702 | 87,128 | 7,425 |
| Total strategic areas | 459,321 | 496,937 | 514,262 | 528,858 | 14,596 |
| Other Council activities | 43,925 | 86,831 | 44,312 | 28,172 | (16,140) |
| Grand total full council | 503,246 | 583,768 | 558,574 | 557,030 | (1,544) |

Figures in brackets () equals negative variance to budget or overspend

Summary of capital expenditure

We have a comprehensive renewal and upgrade programme for our assets and have completed \$213.1m of capital expenditure during the 2019/20 year. This equates to 89 percent of the annual budget or 80 percent once budgets brought forward from prior years and other adjustments are included. There were several capital projects that were delayed due to various timing issues arising from project design and costing, public consultation and consenting requirements. There were also some delays to projects resulting from the COVID-19 lockdowns. These are discussed in more detail in the Capital Underspend section on pg X.

Figure 5: Budget vs actual capital expenditure for each activity area (\$m)

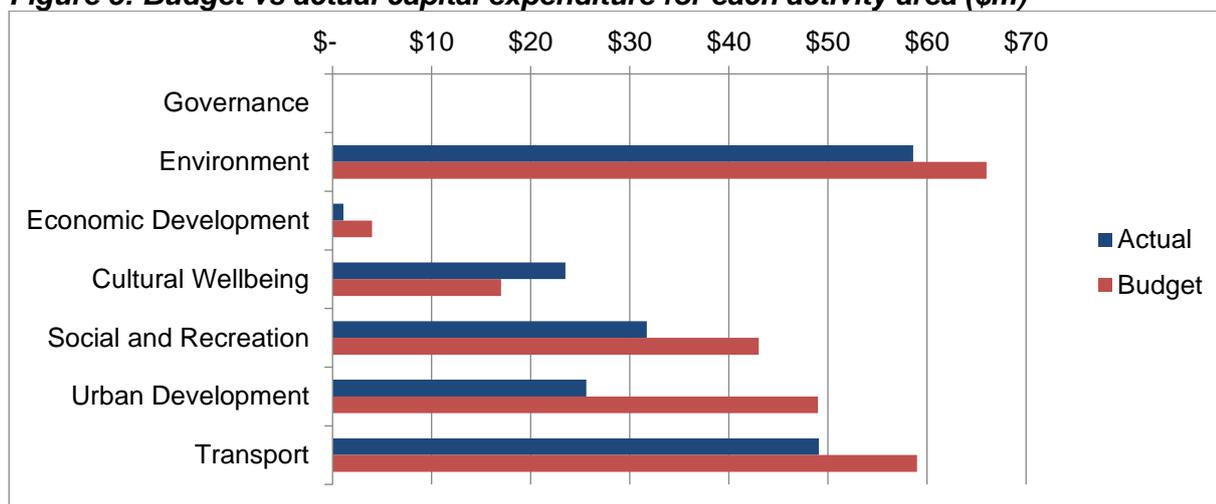


Table 3: Capital expenditure by activity area (\$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | 2019/20 Revised budget | Variance to revised budget | Carry forwards |
|---------------------------------|----------------|----------------|----------------|-------------------|----------------|------------------------|----------------------------|----------------|
| Governance | 8 | - | 123 | 22 | 48 | 145 | 97 | - |
| Environment & infrastructure | 45,428 | 40,471 | 58,028 | 8,046 | 58,587 | 66,075 | 7,488 | 7,476 |
| Economic development | 599 | 738 | 3,089 | 1,050 | 1,111 | 4,139 | 3,028 | 3,352 |
| Cultural wellbeing | 443 | 4,145 | 16,941 | 237 | 23,536 | 17,178 | (6,358) | (4,221) |
| Social & recreation | 40,253 | 30,025 | 36,214 | 6,689 | 31,651 | 42,903 | 11,252 | 12,490 |
| Urban development | 19,504 | 14,610 | 43,621 | 4,859 | 25,599 | 48,480 | 22,881 | 27,977 |
| Transport | 55,465 | 54,313 | 58,107 | 614 | 49,090 | 58,721 | 9,631 | 10,702 |
| Total strategic areas | 161,699 | 144,301 | 216,123 | 21,516 | 189,622 | 237,641 | 48,019 | 57,776 |
| Other Council activities | 11,241 | 27,401 | 24,329 | 5,824 | 23,486 | 30,152 | 6,666 | 8,235 |
| Grand total full Council | 172,940 | 171,702 | 240,452 | 27,340 | 213,108 | 267,793 | 54,685 | 66,011 |

Capital programme variance summary \$m

Many of our significant capital projects involve collaborative partnerships with community, suppliers and other stakeholders. We also want to ensure projects are fit for purpose as circumstances or requirements change. The timing of these projects therefore needs to be flexible. There were several capital projects that were delayed due to various timing issues arising from project design and costing, public consultation and consenting requirements. There were also some delays to projects resulting from the COVID-19 lockdowns, which resulted in a capital underspend at the end of the 2019/20 year.

Table 4: Capital programme variance explanations \$m

| Project | \$m | Comments |
|----------------------------|------|---|
| Earthquake Risk Mitigation | 12.9 | Under spending due to the earthquake strengthening of the St James Theatre and the Town Hall being behind (partially due to the impacts of COVID-19). |

| Project | \$m | Comments |
|--|-------------|---|
| Transport projects | 9.5 | Under budget due to delays on road surface renewal work and timing of other large projects (Bus Priority Planning -linked to LGWM, Ngaio Gorge and Wadestown route resilience). The cessation of work through the COVID-19 lockdown, other than safety related, caused significant underspending. |
| Organisational Projects | 6.7 | Under budget mainly due to delays in Te Ngākau Civic Precinct work programme. This is mostly offset by increased spend on ICT infrastructure and staff accommodation projects. |
| Water - upgrades and renewals | 4.7 | The current position is due to the Wallace St network project being ahead of schedule and phasing of the budget. This is partially offset by delays in the Omāroro project and wider programme due to COVID-19 lockdown. |
| Central City Framework | 3.9 | The North Lambton Quay project was delayed to be aligned with the LGWM Golden Mile workstream and there were delays in the laneways programme (Swann/Garrett will be delivered next year, and Stout St is dependent on LGWM decisions). |
| Community Halls - upgrades & renewals | 3.6 | Under budget primarily due to the delayed Community Halls work programmes. This will be reviewed as part of the LTP planning process. |
| Southern Landfill Improvement | 3.5 | Under budget on the Landfill Stage 4 development due to consent delays and further consultation with the community. |
| Stormwater - upgrades and renewals | 3.4 | Non-essential work was impacted due to the focus on Wastewater issues. The work programme will be reassessed during the LTP planning process. |
| Wellington Venues renewals | 3.0 | Under budget on the fitout upgrade which is dependent on the delayed earthquake strengthening on St James Theatre. |
| Public Convenience and pavilions | 2.3 | Under spend relates to delays caused by unforeseen additional work and re-working of the Alex Moore Park Sports Hub project. |
| Wellington Waterfront Development | 2.2 | Under spend due to later than planned signoff on Frank Kitts Park. |
| Coastal | 1.9 | Under budget mainly due to re-phasing of the Coastal programme of works. This will be reassessed during the LTP planning process. |
| Basin Reserve | (1.1) | Over budget predominantly due to increased costs relating the Basin Reserve Museum Stand. |
| Wellington Convention & Exhibition Centre (WCEC) | (6.6) | The Convention Centre project is forecast to deliver on budget for the completion of the project with the current variance being due to the phasing of the budget. |
| Wastewater - upgrades and renewals | (9.4) | Increased capital expenditure as a consequence of remedying the Mt Albert sludge pipeline, CBD tunnel and Cuba Street interceptor, partially offset by delays due to COVID-19. |
| Other | 14.2 | Smaller miscellaneous delays in a number of projects. |
| Total 2019/20 variance | 54.7 | Underspend |

Where do my rates go?

Explaining your rates

We set our rates based on the needs of the community, their demand for services and affordability in rates. Our rates revenue is split between targeted rates and general rates. The Council collected \$322.0m (GST exclusive) of rates during 2019/20.

General rates are paid by all ratepayers and applied to services which benefit the whole community, for example, maintaining parks and walkways, operating our libraries, and renewing our roads and footpaths.

Targeted rates are paid by a specific group of ratepayers who receive a specific service – for example water, stormwater and wastewater services in rural areas, and business improvement districts (BIDs).

Whether you rent, own a home or a business in Wellington you'll be contributing to Council rates either directly or indirectly.

Your money helps us deliver more than 400 day-to-day services and pay for the borrowings used to fund big capital projects across Wellington.

What are rates for, and why are they important?

In the same way our taxes contribute to the running of the country, rates are important to ensure Wellington continues to function.

Some of the services and facilities that Wellingtonians receive through their rates include:

[Infographic displaying the numbers below]

- 81 million litres of drinkable water piped per day
- 671 km of stormwater pipes maintained and upgraded
- 1,048km of wastewater pipes maintained and upgraded
- 700km of footpaths maintained and upgraded
- 105 playgrounds maintained and upgraded
- 242,065 calls answered by our Contact Centre staff
- 800,000 resources in City Archives
- 101,234 native plants planted with the community
- 802,000 items can be borrowed from our 14 libraries
- 350km of walking and biking tracks maintained
- 202sqm of open space per Wellingtonian
- 14,500 LED streetlights operated

Section 2: Our performance in detail

I tēnei wāhanga

Ka whakaahua tēnei wāhanga i ā mātou whakatutukinga ā-taipitopito nei mō tēnā, mō tēnā o ā mātou mahinga me ā mātou rōpū whakahaere ā-Kaunihera. Kei ia mahinga he tirohanga whānui o ngā mahi o te tau, he whakarāpopoto i ngā tahua ahumoni me ngā inenga whakatutukinga.

In this section

This section describes in detail how we performed for each of our seven strategic activity areas and our Council-controlled organisations. Each activity area, as introduced on [pg 10](#), includes an overview of the activities from the year, a summary of financials and performance measures.

How to read this section

What's being reported?

This section of the report includes:

- a) **Overview of the year:** includes the impact of COVID-19 and summary of our financial and non-financial information. Where applicable we have included details of the results before COVID-19. Definitions for the various Alert Levels are below:
 - **Level 4 – from 25 March to 27 April 2020:** full nationwide lockdown, all public venues and many public places closed, everyone at home except essential workers, restricted to 5km from home.
 - **Level 3 – from 28 April to 13 May 2020:** semi-lockdown restrictions, local travel only, social distancing, all public venues closed, businesses allowed to reopen with strict operating guidelines, gatherings of up to 10 people,
 - **Level 2 – from 14 May to 8 June 2020:** limited restrictions, gatherings of up to 100, nationwide travel allowed, public venues and places, businesses, schools and offices open with strict operating guidelines, face coverings on public transport.
 - **Level 1 – from 9 June 2020:** no restrictions on movement or gatherings, encouraged to keep records of movement, border still closed.
- b) **Activity areas:** What we did and key projects from our work programme for the year. The majority of these items are non-COVID-19 related.
- c) **Financial information:** capital expenditure and operational expenditure for each activity area.
- d) **Performance information:** overview of outcome indicator trends and key performance measures and targets. Performance measures cover quality, timeliness, affordability and utilisation.

1 Pārongo ā-tāone – Governance

This chapter explains what we did and how we performed in our Pārongo ā-tāone Governance portfolio of activities.

Overview of the year

Our services in this section include governance support, strategy and policy work, information collection and archiving, community engagement, and Māori and mana whenua partnerships.

This year we managed and successfully held the Wellington City Council election, progressed the digitising of our City Archive and continued our work on revitalising te reo Māori in the city and within the Council.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

COVID-19 changed how some of our Governance services were delivered, but many were able to continue.

- The Contact Centre was a key channel for providing information to the public and feedback to the Council's Pandemic Response Team, including welfare assistance requests, reports of illegal rubbish dumping and illegal gatherings during Level 4. The number of calls to the Centre halved during Level 4 from about 21,000 calls per month to 9,767 in April before returning to normal volumes once lockdown ended.
- An interactive COVID-19 timeline and resource collection was created at City Archives to track how the Council and city responded to the impact of the pandemic.
- We moved Committee and Council meetings online, including public participation and oral hearings for some key consultations.
- The pandemic had an impact on policy and strategy work as community consultations were stopped during Level 4. This delayed some work until the public feedback could be gathered later in the year. Community engagements were restarted in Level 3 using new digital resources, including webinars, and social media panel events.
- The 2020/21 Annual Plan and budget needed re-worked to incorporate the Council's pandemic response measures. It was therefore adopted later than usual on 21 July 2020.
- Māori liaison officers and iwi entities were updated daily on the pandemic response and iwi and Council leaders continued to hui using online channels.

Many of the processes introduced during the lockdown period are still operating, for example members of the public being able to attend meetings and speak via Zoom. This has made it even easier for the public to participate in the democratic process.

Performance summary

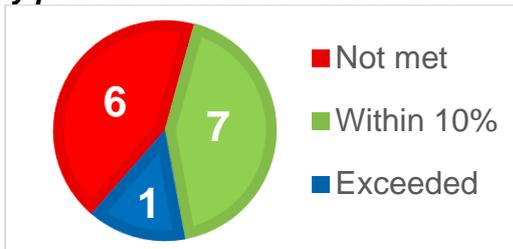
This strategy area is responsible for delivering six percent of Council's performance measures. Out of the 14 KPIs, one was exceeded, seven within 10 percent of target and six were not met. COVID-19 did not have a material impact on the KPIs in this area. Improving

our engagement with Maori residents and our mana whenua partners remains a challenge and is reflected in some targets not being met.

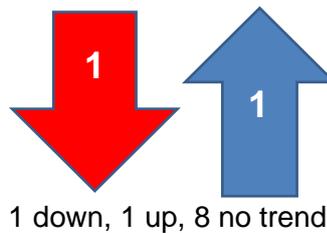
The outcomes monitored in this area mainly had no trend. The one negative trend was in relation to voter turnout at local elections. The positive trend was in residents valuing diversity in the city.

For full details of outcome and key performance indicators and variance explanations, please see page X.

Key performance indicator results



Outcome indicator trends

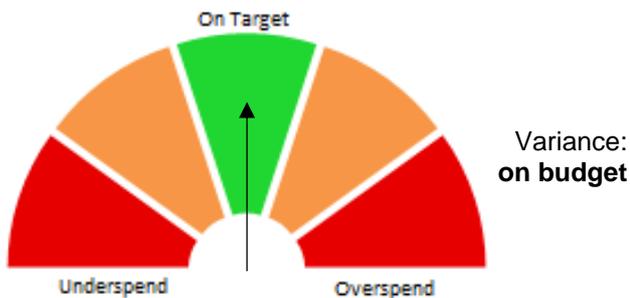


Financial summary

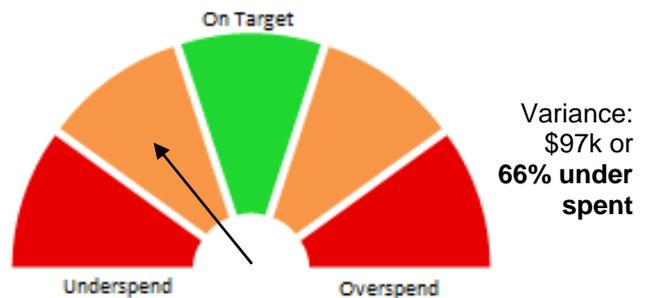
The financial result for Governance was not significantly impacted by COVID-19 as many services were able to continue. Operating expenditure and operating revenue was delivered on budget and capital expenditure was marginally underspent due council chambers office fitout to being included in workplace project.

For more details on the Governance budget, please see page X.

Net operating expenditure



Capital expenditure



1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi – Governance, information and engagement

What we do

In this area, we seek to build public confidence in our decisions by being as transparent as possible, clearly communicating the reasons for the things we do and encouraging public participation in the decision-making process.

Key projects

Some of the activities we did in our Governance, information and engagement area this year were:

Governance and information services

The Council Contact Centre responded to 242,065 calls this year, down approximately 25,000 calls when compared to last year, mainly due to COVID-19. They also responded to 33,877 emails. This area was also responsible for ensuring that quality governance processes were followed at the 62 decision-making meetings held during the year. The full Council meetings were live-stream and viewed 10,843 times.

2019 local body elections

In October, a new Council was elected following the 2019 local elections, with a voter turnout of 40.1 percent. In this election, Council partnered with the region's other councils to introduce two new services to make it easier for people to cast their votes. The Mayoral election was the closest in the city's history, with only 62 votes separating Mayor Andy Foster from former Mayor Justin Lester. The closeness of the result prompted an application for a full recount, which was declined by the District Court. Six new Councillors were also elected for the first time.

Hearing from our community

This year, we consulted formally on more than 35 proposals, which is fewer than normal because the COVID-19 lockdown delayed consultations until the 2020/21 year. The proposals in 2019/20 included our Newlands Park upgrade, e-Scooter survey, Safer Speeds for the Central City, town centre plans, changes to traffic rules, playground upgrades, changes to bylaws, policy and strategy reviews, and our Annual Plan.

City Archive

This year the new City Archives online resource called Archives Online was launched and has had a great uptake. Currently 148,904 collection items have been digitised and a three-year program of work is now underway to digitise the remaining 80 percent of the collection. This will enable a self-service user driven way to access the information 24/7.

1.2 Rangapū Māori/mana whenua - Māori and mana whenua partnerships

What we do

In this area the Council is focused on incorporating more te reo Māori into business-as-usual practices and making it seen, heard and used more widely in the city through our Te Taihū action plan. We also partner with mana whenua and recognise their special place in the city's history and their relationship with its land, waterways and other parts of its environment.

Key projects

Some of the activities we did in our Māori and mana whenua partnerships area this year were:

Mana whenua partnerships

Council and iwi entities have had significant leadership changes over the past year and there are on-going conversations about how to build the capacity of mana whenua to participate to create a meaningful partnership and fulfil our commitments under Te Tiriti o Waitangi. The relationship building between the new leaders is continuing to grow and part of the new Council leadership team includes a Head of Māori Strategic Relationships position

This year mana whenua welcomed the new Council at Pipitea Marae and 11 out of 15 elected members took their oath of office in te reo Māori. They also gifted the name Paekākā for the area that includes the Cable Car Museum, Space Place, Met Service, and Wellington Botanic Gardens, and the street name Waripori St was corrected to Te Wharepōuri St. The sign install was delayed due to the COVID-19 lockdown.

Te Taihū te reo revitalisation

The Council's goal of becoming a bilingual city by 2040. has been progressed during the year through initiatives such as:

- Election materials with increased te reo Māori content and appeal.
- The annual Te Rā o Waitangi free concert at Waitangi Park.
- Sponsoring the annual Rā Haka at ASB Sports Centre which brings college students from across the region together to learn local haka.
- Continuing to create bilingual signage in facilities and te reo Māori content in council reports and publications.
- Successful programme of events was held for Te wiki o te reo Māori in September.
- Two of our brochures and web maps were translated and published in Te Reo Maori: Birds of Wellington Gardens - Ngā Tohutohu Mataki Manu, and Wellington Walks - Ara Rēhia o Pōneke.

Governance finances

How it was funded

Services in this activity area are mostly funded through general rates, with a small portion funded through fees and user charges for Civic Information and City Archives.

Detailed information on funding is on pg X of Section 4: Financial Statements.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance |
|---|-------------------|-------------------|-------------------|----------------|---------------------|
| 1.1 Governance, information and engagement | | | | | |
| Expenditure | 17,214 | 17,621 | 19,469 | 19,585 | 116 |
| Revenue | (498) | (511) | (766) | (894) | (128) |
| Net Expenditure | 16,716 | 17,110 | 18,703 | 18,691 | (12) |
| 1.2 Māori and mana whenua partnerships | | | | | |
| Expenditure | 305 | 361 | 307 | 316 | 9 |
| Revenue | (4) | (45) | - | - | - |
| Net Expenditure | 301 | 316 | 307 | 316 | 9 |
| Governance Total | | | | | |
| Expenditure | 17,519 | 17,982 | 19,776 | 19,901 | 125 |
| Revenue | (502) | (556) | (766) | (894) | (128) |
| Net Expenditure | 17,017 | 17,426 | 19,010 | 19,007 | (3) |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance commentary |
|---|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|-------------------------------------|------------------|---|
| 1.1 Governance, information and engagement expenditure | | | | | | | | | |
| Total | 8 | - | 123 | 22 | 48 | 145 | 97 | - | Budget included planned spend for Council chambers office fitout which was included in workplace project spend. |

Governance performance

The following tables provide a summary of how well we performed against Council's agreed measures: outcome indicator trends and key performance indicators results for the Governance activity area. Some of the KPIs and Outcomes use information from the Council's Residents' Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for outcome indicators though we have a desired trend direction. Of the 10 outcome indicators we monitor, one was trending in the desired direction and one had an adverse trend. For details see pages X to X.

| |  |  |  | Total | Commentary |
|---------------------------------------|---|---|---|-------|--|
| 1 Pārongo ā-tāone – Governance | 1 | 8 | 1 | 10 | The one negative trend was in relation to voter turnout at local elections. The positive trend was in residents valuing diversity in the city. |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last three years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|---|---|---|--|-----------|--|
| 1.1 Governance, information and engagement | 2 | 6 | 1 | 9 | COVID-19 did not have a material impact on the KPIs in this area. |
| 1.2 Māori and mana whenua partnerships | 4 | 1 | 0 | 5 | Improving our engagement with Maori residents and our mana whenua partners remains a challenge and is reflected in some targets not being met. |
| 1 Pārongo ā-tāone – Governance Total | 6 or 43% | 7 or 50% | 1 or 7% | 14 | |

Spotlight on – COVID-19 and the Annual Plan

When the COVID-19 pandemic arrived in New Zealand, Wellington City Council, like many around the country was well advanced in the planning for the next financial year.

The draft budgets and work programmes had been written and were all ready to be taken out to the public for feedback as our 2020/21 draft Annual Plan.

However, when the country was put into a lockdown on 25 March, it was apparent that things needed to change, and fast.

Leading into the COVID-19 pandemic the Annual Plan had a circa 9 percent rates increase. This plan was significantly re-written to respond to the pressure and uncertainty faced by all sectors in the city. The Council responded in two stages by:

- Implementing a Pandemic Response Plan with immediate financial and non-financial support measures; and
- Redeveloping the 2020/21 Annual Plan to reflect the forecast COVID-19 economic downturn, including lower rates rise options of 5.1 percent and 2.3 percent.

The challenge was that the proposals were available for public consultation between 8 May and 8 June 2020 covering COVID-19 Levels 3 and 2.

This significantly limited the Council's ability to reach and engage with residents on the Annual Plan proposals, with the traditional face-to-face methods off the table.

Also the pandemic alert level changed from Level 3 to Level 2 at 11.59pm on Wednesday 13 May, which was announced on 11 May, four days into the consultation.

The loosening of some restrictions meant that residents, organisations and community groups were understandably focused on: changes to lifestyle and work under the new Level 2 rules, rather than the Annual Plan; issues they were facing in May rather than thinking about the next financial year; and broadcast media, online communications and advertising channels were also heavily focused on pandemic related information - which intensified the competition for the public focus.

The Council trialled different digital engagement tools to reach the community in an attempt to replicate face-to-face methods. These included six ward-based webinar events and a Facebook Live youth panel discussion. This was supported by social media and digital marketing channels.

The 'Wardinars' provided residents with an opportunity to ask questions directly of their elected members in town hall style events. The Facebook Live panel discussion was an attempt to reach youth, which is a target audience for the Council. It was co-designed and hosted with youth and included representatives from university student associations and the Youth Council.

Both new engagement methods were successful and helped elevate the understanding and awareness of the Annual Plan in tough times. The Council will continue to use new digital engagement tools in the future

2 Te Taiao me te Hanganga – Environment & infrastructure

This chapter explains what we did and how we performed in our Te Taiao me te Hanganga Environment and infrastructure portfolio of activities.

Overview of the year

This area covers an extensive range of Council services including everything from open spaces, waste reduction and energy conservation to water, wastewater and stormwater. Also part of this portfolio are our conservation attractions Wellington Zoo and ZEALANDIA.

This year we approved our Outer Green Belt Management Plan, upgraded the main entrance of Makara Mountain Bike Park, celebrated the 150th anniversary of the Botanic Garden, began to implement our carbon zero policy Te Atakura and continued to promote waste minimisation initiatives.

However, there was also ongoing public concern with the resilience of our water infrastructure as a result of significant, high-profile and costly failures in our wastewater network. A Mayoral Taskforce on Water was established to investigate this issue.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

While COVID-19 materially impacted the use and delivery of the services and facilities in this area, not all were equally affected.

- There were decreases in utilisation of the Zoo and ZEALANDIA because of closures under Level 4 and 3. To encourage people to return to these facilities and the city, entry was free until the end of June for the Zoo and until 19 July for ZEALANDIA (the end of the school holidays).
- There were increases in the casual use of parks and open spaces by residents and an increase in the understanding of our biodiversity and bird life. Council supported this with social media campaigns and changes to some road speed limits to keep people safe.
- Organised volunteering activity was put on hold during Alert Levels 4 and 3. Council worked closely with the sector providing support and assistance.
- Essential water systems and services remained operational during the lockdown.
- The major repair of the Mt Albert pipe was delayed, with workers from Germany needing to quarantine before starting the repair. More about this can be found on the Wellington Water website⁶ and in the article at the end of this chapter.
- Recycling collection services were suspended under Alert Level 4 and 3, but kerbside rubbish collection continued.
- Southern Landfill site activities were stopped during Alert Level 4 - except for the essential services, municipal solid waste and sewage sludge. The landfill was reopened to all account customers at Level 3, and to all customers at Level 2.

⁶ wellingtonwater.co.nz/work-in-your-area/moa-point-sludge-pipelines/

Performance summary

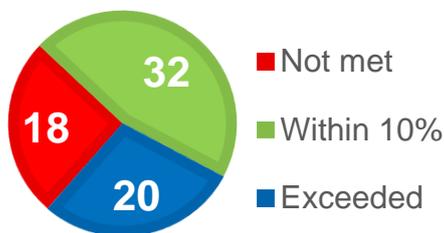
This strategy area is responsible for delivering about 31 percent of Council's performance measures. Out of the 70 KPIs, 20 were exceeded, 32 within 10 percent of target and 18 were not met. This means 74 percent of the Environment and infrastructure performance measures either met or exceeded their targets for the year.

Our Council-controlled organisations that support our natural environment (Wellington Zoo and ZEALANDIA) are responsible for delivering 10 of the 20 results that exceeded targets, despite being significantly impacted by the COVID-19 closures.

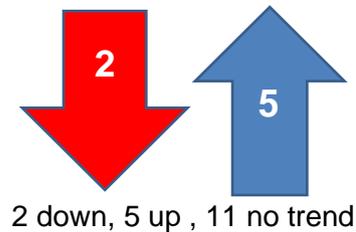
Of the five outcome indicators that have a positive trend, three are related to access to green open spaces: increased numbers of hectares provided and increase in reported frequency of use of all Wellington's open spaces.

For the full set of outcome and key performance indicators and variance explanations, please see page X.

Key performance indicator results



Outcome indicator trends

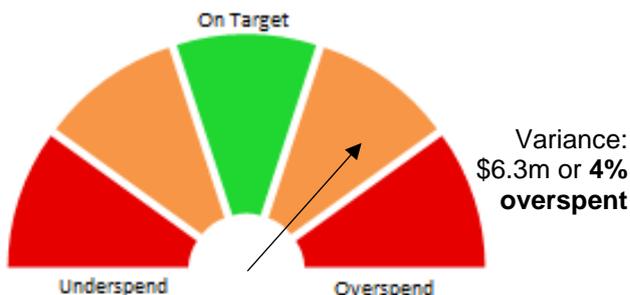


Financial summary

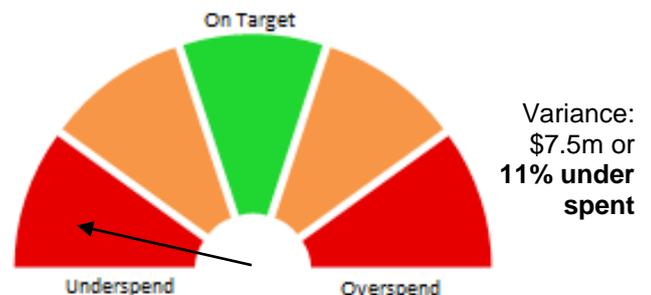
Significant additional operating expenditure for wastewater accounted for 75 percent of overspend in this year's Environment and infrastructure budget. However overall, this additional spending was largely offset by additional revenue from waste operations meaning a net variance of only 4 percent over budget.

In capital expenditure, the \$9.3m overspend for sewage collection and disposal was due to the need to truck sludge from Mōa Pt to the Southern Landfill after the Mt Albert pipe failure. This was partially offset by underspends caused by rephasing of other capital expenditure – the coastal programme, landfill development and reassessment of stormwater works programme. For more details, please see page X.

Net operating expenditure



Capital expenditure



2.1 Ngā māra, tātahi - Gardens, beaches and green open spaces

What we do:

In this area we seek to continuously adapt and restore our natural areas. This includes providing quality accessible green open spaces, maintaining and managing walking and biking tracks, ensuring our Wellington Gardens are cared for, and enhancing Wellington's biodiversity, including extensive trapping through Predator Free Wellington and Capital Kiwi.

Key projects

Some of the activities we did in our Gardens, beaches and green open spaces area this year were:

Natural environment and biodiversity

This year we celebrated the 150th anniversary of the Botanic Gardens and accepted the gift from mana whenua of the name Paekākā for the area that includes the Cable Car Museum, Space Place, Met Service, and the gardens.

To improve the city's biodiversity and with the aim of bringing kiwi back to the city, an extensive trapping network was created on Miramar peninsula. Possums and stoats have been eradicated and only low numbers of rats remain. There are now 50 suburbs involved in backyard trapping with more than 8,000 traps deployed across the city. We also developed an Urban Ecology GIS spatial tool integrating weed control, restoration planting and pest animal control data in one place.

This area also includes the Natural Environment Fund, which funded 12 applications for a total of \$51,837.

Te Motu Kairangi Reserve

The 72.7-hectare park on the north end of the peninsula was announced in May 2019. The project has been paused while the Crown and Port Nicholson Block Settlement Trust continue their discussions about the site. However, some heritage assessment work was completed, an ecology assessment was started and background work relating to heritage management planning, master planning and operational management continued as far as possible.

Outer Green Belt Management Plan

The Outer Green Belt Management Plan was approved by the City Strategy Committee on 22 August 2019. The plan guides the management, development and use of the Outer Green Belt for the next 10 years, and the role it will play as the city grows and changes.

Makara Peak Mountain Bike Park

This year we upgraded the Makara Peak Mountain Bike Park main entrance and carpark. This was an action from the park's master plan with the aim of providing a facility suited to a regional destination bike park. The outcome of this work is a larger safer car park, and an increase in toilets facilities with a shower and a larger bike wash area. The new entrance has received very positive feedback from users. We also completed two new trail builds and assisted the Makara Peak supporters with two volunteer-built trails.

2.2 Whakaheke para, Tiaki pūngao - Waste reduction and energy conservation

What we do

In this area we work to make Council facilities and services more energy efficient; investigate, monitor and work to mitigate the effects of climate change; encourage waste minimisation and actively divert waste from the Southern Landfill; and operate the Tip Shop and Recycling Centre.

Key projects

Some of the activities we did in our Waste reduction and energy conservation area this year were:

Te Atakura Implementation

Te Atakura (First to Zero) is our plan for reducing carbon emissions and becoming a net zero carbon city by 2050. During the year we:

- Earned \$50k of co-funding from central government for four Fast Electric Vehicle Chargers at the new Waitohi Community Hub
- Obtained Toitū CarbonZero certification of the Botanical Gardens, Basin Reserve, Wellington Museums Trust and Wellington Cable Car as well as the recertification of ZEALANDIA and the Zoo
- Completed our 5th CEMARS (now Toitū CarbonReduce) Audit
- Installed 28 electric vehicle charging stations
- Launched a new, leaner form of Home Energy Saver that also covers carbon emissions
- Users doubled in two car share programmes supported by Council
- Received a top rating from the CDP (formerly the Carbon Disclosure Project) and Global Covenant of Mayors for both mitigation and adaptation. These are two top-tier climate reporting organisations.

Potential Extension to the Southern Landfill

The consent for our current landfill expires in 2026. In August 2019, we announced the commencement of a project for an extension that would provide additional landfill capacity for the next 25 years. As part of this, we ran a community engagement process, and an analysis of alternatives to landfill. Following this, we undertook to lodge a resource consent application to extend the Southern Landfill. This attracted attention and some opposition from the community. We are listening to these concerns and working to better address them prior to progressing further.

Waste Minimisation Seed Fund

This year, four applications were funded through the fund for larger (over \$2,000) grants, totalling \$50,000. The average grant was \$12,500, the largest being \$17,993, and smallest \$6,745.

2.3, 2.4, & 2.5 Te Wai - Three waters

What we do

In these three areas the regionally owned Council-controlled organisation Wellington Water Limited (WWL) is responsible for the provision, management and quality of clean, safe drinking water and efficient wastewater and storm water services.

For more details on the activities and performance of WWL, please refer to its Annual Report⁷. The organisation is profiled on pg X in the Council-controlled organisations chapter, including details of its board and governance structure.

Key Projects

Mayoral Taskforce on Water

The three waters services and Wellington Water were under increased scrutiny this year as a result of several significant pipe failures. Late in 2019 and early in 2020, wastewater network failures in Dixon St and in the Mt Albert tunnel had significant financial and environmental consequences⁸.

These pipe failures and the resulting discharge into the harbour increased the public's awareness of the pollution of the harbour and other parts of Wellington and that our three waters infrastructure is ageing and under pressure. At the same time, the quality of water in the Owhiro and Karori Streams was found to be very poor, causing communities to query how this had happened.

We are also facing several challenges that will influence the decisions we make about the three waters network, including climate change, increased demand, natural hazards, rising costs, design and government regulatory changes.

All of these issues prompted the Mayor to convene a Taskforce to inquire into specific problems relating to water issues in Wellington and to identify initiatives to address these issues by recommending an action plan to the Council through the long-term planning process. The Taskforce comprised of internal and external experts and stakeholders, who worked for six-months on the programme.

Many of the findings are expected to interrelate with the Government's announcements on Water Reform in New Zealand. The Taskforce supported embracing active participation in the Water Reform Agenda – thereby more quickly delivering improvements in water service provision, gaining appropriate injections of much-needed capital and operational funding and leading to improved environmental outcomes.

All Taskforce business and recommendations are available on the Council website⁹.

⁷ <https://www.wellingtonwater.co.nz/publication-library/>

⁸ [https://www.wellingtonwater.co.nz/work-in-your-area/dixon-street-wastewater-repairs.](https://www.wellingtonwater.co.nz/work-in-your-area/dixon-street-wastewater-repairs/)
<https://www.wellingtonwater.co.nz/work-in-your-area/moa-point-sludge-pipelines/>

⁹ <https://wellington.govt.nz/services/environment-and-waste/water/mayoral-water-taskforce>

Government three waters reforms

Wellington is not alone with its water challenges. National awareness of the serious problems with water was triggered in part by an outbreak of campylobacter in Havelock North in August 2016.

The Government has found that most councils do not have the capital funding headroom nor debt raising ability to adequately fund their long-term needs to meet increasing levels of service and growth.

It is therefore proposing significant water reform to ensure that infrastructure will serve us into the future. The Council has signalled interest in the water reform programme by opting-in to the programme through signing a non-binding memorandum of understanding, and in return will receive some funding in the 2020-22 period. All councils in the Wellington Region have signed memoranda with the Government.

2.6 Ngā painga kukume whāomoomo - Conservation attractions

The activities in this area are managed by two Council-controlled organisations, Wellington Zoo Trust and Karori Sanctuary Trust, which trades as ZEALANDIA.

What we do

In this area we support Council-controlled organisations, Wellington Zoo and ZEALANDIA, in their conservation and visitor attraction work. This helps to build understanding of biodiversity, conservation, and protect flora and fauna.

For more details on the activities and performance of the Zoo and ZEALANDIA, please refer to their Annual Reports¹⁰. These organisations are profiled on pg X in the Council-controlled organisations chapter, including details of their boards and governance structures.

Key projects

Wellington Zoo

Once re-opened in May after the Level 4 and 3 lockdown, the Zoo hosted 50,891 visitors during its free entry campaign to 30 June 2020.

This year it received a \$400,000 grant from Pub Charity towards an upgrade of the Giraffe Management Facility and habitat.

Nestival

In December the Zoo celebrated Nestival, the 10th year anniversary of The Nest Te Kōhanga animal hospital. Festivities kicked off with a weekend of special veterinary-based activities for visitors followed by a stakeholder celebration on 9 December. The Nest Te Kōhanga-themed activities continued until the end of January.

ZEALANDIA

In August 2019, ZEALANDIA was named by Time magazine as one of the world's best places to visit. It was also a finalist in the Community Award section of the New Zealander of the Year Awards 2020.

This year the sanctuary was granted resource consent for the lower reservoir perch removal project. The work was delayed for a year because of the pandemic.

Titipounamu/rifleman success

The tītipounamu/rifleman birds that were translocated to ZEALANDIA in March 2019 started nest building in quarter 2 of the year. This was an important first sign that the translocation had been successful, and the birds were becoming established in the sanctuary. The first of the new tītipounamu chicks were then banded in November, and during the season more than 40 chicks were known to have fledged, marking the next stage of success for this translocation project.

¹⁰ <https://www.visitzealandia.com/AnnualReport>,
<https://wellingtonzoo.com/assets/Resources/Annual-Report-2020-artwork-FINAL-higher-res2.pdf>

Environment & infrastructure finances

How it was funded

Services in this activity area are funded through a mixture of general rates, targeted rates, user charges and other revenue.

Detailed information on funding on pg X of Section 4: Financial Statements.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance | Variance commentary |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|---|
| 2.1 Gardens, Beaches and Open Spaces | | | | | | |
| Expenditure | 39,088 | 43,708 | 41,925 | 43,546 | 1,621 | Under budget due to reduced street sweeping through the COVID-19 lockdown period. The reduced requirement caused by fewer people on the streets and fewer events. |
| Revenue | (3,980) | (4,574) | (3,008) | (2,996) | 12 | |
| Net Expenditure | 35,108 | 39,134 | 38,917 | 40,550 | 1,633 | |
| 2.2 Waste reduction and energy conservation | | | | | | |
| Expenditure | 19,329 | 21,263 | 21,823 | 18,084 | (3,739) | Increased costs arising from increased waste volumes |
| Revenue | (19,163) | (18,137) | (21,974) | (16,722) | 5,252 | Additional revenue for contaminated and special waste from city and regional projects. |
| Net Revenue | 166 | 3,126 | (151) | 1,362 | 1,513 | See above commentary for 2.2 Waste reduction and energy conservation |
| 2.3 Water network | | | | | | |
| Expenditure | 42,224 | 44,607 | 48,615 | 47,066 | (1,549) | Increased costs from the doubling of front-line resources through the COVID-19 lockdown period. This ensured the reliability and continuity of the response during this time. Also increases in unplanned network repairs on leaks. |
| Revenue | (1,843) | (4,100) | (767) | (38) | 729 | Increased revenue from an increased number of new water connections. |
| Net Expenditure | 40,381 | 40,507 | 47,848 | 47,028 | (820) | See above commentary for 2.3 Water Network. |
| 2.4 Wastewater | | | | | | |
| Expenditure | 43,283 | 45,534 | 59,357 | 47,515 | (11,842) | Increased costs resulting from the failure of the Mt Albert sludge pipeline (e.g. the transportation of sludge by tankers, the investigation and repair costs), and the repair costs from the Dixon St/Willis St tunnel collapse. |
| Revenue | (1,986) | (2,351) | (2,644) | (1,267) | 1,377 | Due to \$1.5m of vested sewerage assets that were not budgeted |
| Net Expenditure | 41,297 | 43,183 | 56,713 | 46,248 | (10,465) | See above commentary for 2.4 Wastewater. |

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance | Variance commentary |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| 2.5 Stormwater | | | | | | |
| Expenditure | 18,634 | 18,867 | 19,371 | 19,583 | 212 | Reduced expenditure in order to mitigate the wastewater overspend, so some selected minor stormwater work was deferred. |
| Revenue | (2,164) | (2,882) | (2,332) | (163) | 2,169 | Additional revenue from associated NZTA roading subsidies in relation to maintenance of stormwater sump clearing. |
| Net Expenditure | 16,471 | 15,985 | 17,039 | 19,420 | 2,381 | See above commentary for 2.4 Stormwater |
| 2.6 Conservation attractions | | | | | | |
| Expenditure | 6,695 | 6,770 | 7,431 | 6,927 | (504) | Mainly due to additional grants paid by the Council to CCOs as part of the COVID-19 recovery. Also includes cost of providing free entry at Wellington Zoo and ZEALANDIA after the lockdown. |
| Revenue | - | (18) | - | - | - | |
| Net Expenditure | 6,695 | 6,751 | 7,431 | 6,927 | (504) | |
| Environment total | | | | | | |
| Expenditure | 169,253 | 180,748 | 198,522 | 182,721 | (15,801) | |
| Revenue | (29,136) | (32,062) | (30,725) | (21,186) | 9,539 | |
| Net Expenditure | 140,117 | 148,686 | 167,797 | 161,535 | (6,262) | |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisio ns | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|---|-------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|-------------------------------------|------------------|--|
| 2.1 Gardens, beaches, green open spaces | 6,102 | 4,136 | 8,885 | 1,147 | 5,342 | 10,031 | 4,689 | 4,792 | Under budget as a result of re-phasing of the Coastal programme of works. |
| 2.2 Waste reduction, energy conservation | 606 | 2,443 | 5,358 | 200 | 2,059 | 5,558 | 3,499 | 1,741 | Under budget on the Landfill stage 4 development due to consent delays and further community consultation |
| 2.3 Water Network | 14,431 | 14,982 | 22,016 | 4,899 | 22,420 | 26,916 | 4,496 | - | The Wallace Street network project overspent as it is ahead of schedule and phasing of the budget. This is offset by the delays in the Omāroro project and wider programme due to COVID-19 lockdown, meaning an underspend overall in this area. |

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|----------------------------|---------------|---|
| 2.4 Sewage collection and disposal network | 10,671 | 13,898 | 10,288 | 3,990 | 23,612 | 14,278 | (9,334) | - | Increased capital expenditure resulting from repairs to the Mt Albert sludge pipeline, Dixon St/Willis St tunnel, and Cuba Street interceptor. This was partially offset by delays due to COVID-19. |
| 2.5 Stormwater management | 7,217 | 9,248 | 9,523 | (2,191) | 3,965 | 7,333 | 3,368 | - | Non-essential work was impacted due to the focus on wastewater issues. The work programme will be reassessed during the LTP planning process. |
| 2.6 Conservation visitor attractions | 1,956 | 720 | 1,959 | - | 1,189 | 1,959 | 770 | 943 | Under budget due to ZEALANDIA deferring the upgrade to Tanglewood House - the research facility for academics and interns. |
| Total | 45,428 | 40,471 | 58,028 | 8,046 | 58,587 | 66,075 | 7,488 | 7,476 | |

Environment & infrastructure performance

The following tables provide a summary of how well we performed against Council's agreed measures: outcome indicator trends and key performance indicators results for the Environment and infrastructure activity area. Some of the KPIs and Outcomes use information from the Council's Residents' Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for Outcome indicators though we have a desired trend direction. Of the 18 outcome indicators we monitor, five were trending in the desired direction and two had adverse trends. For details see pages X to X.

| |  |  |  | Total | Commentary |
|---|---|---|---|-------|--|
| 2 Te Taiao me te Hanganga – Environment & Infrastructure | 2 | 11 | 5 | 18 | The negative trends were in relation water consumption and freshwater health. The positive trends were from residents' access to and use of green open space, renewable energy uptake and energy use per capita. |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last three years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|---|---|---|--|-----------|---|
| 2.1 Gardens, beaches and green open spaces | 1 | 6 | 0 | 7 | The number of Council education programmes did not meet target because no sessions were undertaken during Q4 due to COVID-19. |
| 2.2 Waste reduction and energy conservation | 3 | 3 | 4 | 10 | Satisfaction increased for waste and recycling however both still behind target. Reduction in energy use has seen targets exceeded for energy used and cost savings. |
| 2.3 Water Network | 5 | 3 | 2 | 10 | Three waters performance results are reported by Wellington Water limited refer to Chapter 9 of this section for details. All response times for attendance and resolution of call outs have significantly missed target, whereas supply interruptions and customer complaints targets were exceeded. |
| 2.4 Sewage collection and disposal network | 3 | 5 | 2 | 10 | All response times for attendance and resolution significantly missed target, whereas wastewater reticulation incidents and customer complaints targets were exceeded. |
| 2.5 Stormwater management | 2 | 9 | 2 | 13 | Measure of e-coli at monitored sites deteriorated as did resident's satisfaction with stormwater system. Number of pipeline blockages increased but was still ahead of target and once again reported customer complaints exceeded target |
| 2.6 Conservation visitor attractions | 4 | 6 | 10 | 20 | Changes to visitor behavior during and following the COVID-19 restrictions greatly impacted both the Zoo and Zealandia, mostly in a positive way. |
| 2 Te Taiao me te Hanganga – Environment & Infrastructure Total | 18 or 26% | 32 or 46% | 20 or 29% | 70 | |

Spotlight on – Mt Albert sludge pipe repair

Wellington City has an ageing three waters infrastructure. In 2019/20, the city experienced some large-scale wastewater network failures that created disruption for communities and businesses, one of these was the Mt Albert sludge pipeline failures. The failures meant questions were asked about the condition of our network and how it was being managed. This led to the creation of the Mayoral Taskforce on Water, which is detailed on pg X.

Mt Albert sludge pipelines

In January, the two high-pressure pipelines which convey wastewater sludge from the treatment plant at Moa Point to the de-watering plant at the Southern Landfill failed beneath Mt Albert. Sludge is a by-product of the wastewater treatment process.

The pipe failure caused a build-up of sludge that threatened to exceed the plant's storage capacity and would have needed to be discharged into the Cook Strait. Wellington Water activated a sludge trucking operation which successfully prevented this pollution from occurring.

This 24-hour-a-day trucking operation was discontinued in late May at the end of the pipe repair process, having transported more than 128 million litres of sludge, in more than 13,500 truckloads, covering over 332,000kms in total between the treatment plant and the landfill.

The timeline for the repair was longer than usual because the 1.8km pipelines run deep beneath Mt Albert, which presented a unique engineering challenge. An innovative, high-strength pipe-liner solution was chosen, using sophisticated technology developed in Germany. The approach had proven successful internationally, but it was the largest deployment of this type in Australasia.

Impact of COVID-19

The project was made all the more difficult by the COVID-19 pandemic and resulting restrictions in New Zealand and Germany. Engineers from Germany needed special dispensation from the New Zealand Government to enter the country during lockdown restrictions. After going through quarantine, the German crew then worked with locals to successfully install the pipe liners beneath the mountain. Sludge pumping was then restored.

The project resulted in unplanned operating expenditure of \$10.1m which was debt funded.

Even before the pipe failure, Council and Wellington Water knew the current volumes of sludge to landfill were not sustainable and had already planned to investigate alternatives. Options will be presented to Council later in 2020 and will extend beyond wastewater to consider the waste reduction impacts on the Southern Landfill. This project will also aim to minimise the carbon emissions from sludge treatment and disposal, in support of Council's Te Atakura - First to Zero strategy and its target of net zero carbon emission by 2050.

3 Whanaketanga ōhanga – Economic development

This chapter explains what we did and how we performed in our Whanaketanga ōhanga Economic portfolio of activities.

Overview of the year

Our services in this section include city promotions and business support. The majority of our performance measures under Economic development are related to the work that the Wellington Regional Economic Development Agency (WellingtonNZ) delivers on behalf of the city. This strategy area is also key to delivering several of the metrics for other performance indicators – for example economic growth, tourism, international students.

This year we hosted several major events in 2019 and early 2020 that had an economic benefit for the city, including Black Caps and White Ferns matches, All Blacks vs South Africa game, World of Wearable Art, the Eva Rothchild exhibition Semi Conductor, the Queen and Adam Lambert concert and the NZ Festival.

We also began the construction of the Tākina Convention and Exhibition Centre and continued the work to strengthen the St James Theatre.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

COVID-19 and the various alert levels had, and continues to have, a significant impact on our city's venues and events, tourism, and businesses. The city's tourism and hospitality sectors were significantly impacted, with restrictions in citywide and regional travel during Level 4 and 3 and international tourists unlikely to return for some time.

The cancellation or postponement of events and the uncertainty on the future of international performers means that the income for Venues Wellington has all but disappeared. International content makes up a significant proportion of the commercial product hosted by Venues Wellington. The conference and business events in the venues has also been negatively impacted by COVID-19, including the willingness to book future events.

Businesses also pay 45 percent of the total rates in the city and provide jobs for Wellingtonians as well others in the region. It was important businesses were supported so they could be at the forefront of the economic recovery. Actions included:

- \$7.6m City Recovery fund, which came from combining the uncommitted 2019/20 funding and the 2020/21 budgets of the City Growth, Destination Wellington and Capital of Culture funds;
- Rates and rent payment options as well as refunds for fees and licenses held by hospitality, sport and business sectors;
- We were able to work on new events and to showcase some in new ways, e.g. CubaDupa was held as a virtual event;
- WellingtonNZ set up the COVID-19 Business Response Team in March as New Zealand went into lockdown. Read more about this on page X.
- WellingtonNZ set up Love Local – a campaign across the COVID-19 period focussed on getting consumers to support local businesses by buying from local companies.

Wellington Airport

The Council, alongside the other shareholder Infratil, will provide shareholder support to Wellington International Airport Limited as it deals with the impacts of COVID-19. The support is through the underwriting of a convertible equity type arrangement, which ensures that funding is able to be quickly accessed by Wellington Airport, if needed, and provides comfort to the company and its lenders that the shareholders are supporting it if necessary. The underwrite is on a pro-rata basis in line with the respective shareholdings.

Supporting Sky Stadium

The Council, along with Greater Wellington Regional Council, agreed to provide a ten-year loan to the Wellington Regional Stadium Trust (trading as Sky Stadium) to support it to remain event ready. Council and Greater Wellington Regional Council will make available up to \$2.1m (\$4.2m total) to the Trust from 2020/21.

Performance summary

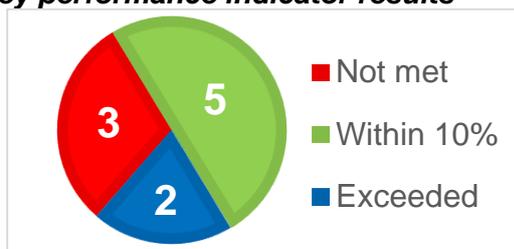
This strategy area is responsible for delivering about four percent of Council's performance measures. Out of the 10 Economic Development KPIs, two exceeded their targets, five were within 10 percent of target and three did not meet their targets.

One of the KPIs that exceeded target was the number of businesses actively supported by WellingtonNZ through the regional business partner programme. This was tracking well before COVID-19, then increased further due to the pandemic recovery support offered.

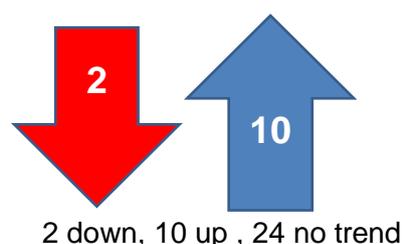
The majority of the outcome indicators in this area that had no trend relate to international and domestic visitors measures which had data that was unavailable or significantly different because of COVID-19. For example, there was a 1.4 million decrease in the domestic arrivals at Wellington Airport when compared to last year, but this measure had been steadily trending up in previous years.

For the full set of outcome and key performance indicators and variance explanations, please see page X.

Key performance indicator results



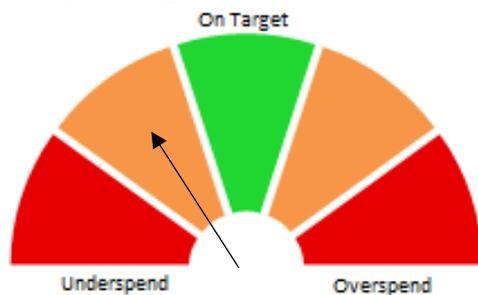
Outcome indicator trends



Financial summary

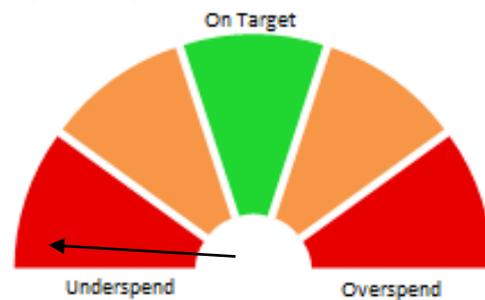
Although operating expenditure and revenue were greatly impacted by COVID-19, with revenue under budget by 42 percent and expenditure reduced by 18 percent, the overall variance was immaterial. Expected capital expenditure on the St James Theatre continued to track behind schedule with the 73 percent underspend being carried forward to future years. Some of the delay in the St James Theatre was caused by the COVID-19 lockdown. For more details on the Economic development budget, please see page X.

Net operating expenditure



Variance:
\$644k or 3%
under spent

Capital expenditure



Variance:
\$3.0m or
73% under
spent

3.1 Whakatairanga tāone - City promotions and business support

What we do

In this area we support Wellington's economic growth by encouraging high-quality events and promoting tourism, attracting and supporting business activity, and delivering major economic development initiatives. Economic growth means Wellingtonians can continue to enjoy a high quality of life.

Some of the activities in this area are managed by Council-controlled organisation WellingtonNZ. The organisation is profiled on pg X in the Council-controlled organisations chapter, including details of its board and governance structure.

Key projects

Activities we did in our City promotions and business support area this year included:

Tākina Convention and Exhibition Centre

The \$157.8m Tākina Convention and Exhibition Centre (WCEC) will be Wellington's first purpose-built facility able to host conventions of up to 1400 delegates and offering 18,000m² of conference and exhibition gallery space over three floors. It will also feature a 1280m² exhibition gallery space.

Work commenced on site following the awarding of the construction contract for the Centre to LT McGuinness. The initial works focused on the site excavation and preparation for the piling works which were largely completed prior to the site being locked down under the COVID-19 restrictions. Post lockdown, work started on the base isolator installation and the start of the steel framing and ground floor.

COVID-19 has resulted in some slippage in the projected completion date, with a move from December 2022 to February 2023.

Over the course of the year we have worked with Taranaki Whānui and WellingtonNZ on the process of developing a narrative and identity for the Centre, and this work culminated in Council agreeing to name the centre Tākina. Marketing for the Centre commenced during the year with the launch of the website (wcec.co.nz) and attendance at several trade shows.

WellingtonNZ programmes

This year 44 Wellington based businesses were incubated or accelerated through WellingtonNZ's CreativeHQ programmes. We also hosted business events valued at \$13.4m to the local economy. The economic development agency also promoted the region and tourism resulting in \$91.4m of out of region venue and event expenditure, 583,132

international visitors and \$2.3m in visitor spend in the region. This year Venues Wellington premises hosted 325 events.

St James Theatre

The St James Theatre is part of the city's social and cultural identity and has been a leading venue for theatre, film, music and ballet for more than a century. Seismic strengthening work continued to progress during the year, which will bring the theatre up to a minimum of 67 percent NBS with a target completion date of 31 December 2021 – ahead of the 2022 New Zealand Festival. However, as construction had to be stopped during Level 4, there is increased risk on this timeline.

The budget for this project is \$34.06m. Of this, \$17.4m was originally budgeted in Our 10-Year Plan 2018-28, however this was based on concept designs. An intensive building survey and detailed structural design revealed more complex seismic strengthening was required at an additional \$8.1m. A further \$8.6m has been budgeted to complete the recommended building and theatre system upgrades during the closure of the theatre. These funds were approved in 2018/19.

International relations

As the capital city of New Zealand, Wellington's diplomatic community is a vital part of our city's culture and economy. We have a close relationship with 12 sister, friendly and partnership international cities and these global relationships help to make Wellington a truly international city. This year, Mayor Foster had his first official visit to Seoul and the Council upgraded the relationship with Seoul to a formal sister city in March 2020. The Council celebrated the 25th anniversary of its sister city relationship with Sakai, and events organised by local community groups and supported by the Council and embassies included Chinese New Year Festival, Japan Festival, Korean Festival, Europe Day, foreign films festivals, international exhibitions and conferences.

Economic development finances

How it was funded

Most of the economic development activities are paid for by commercial ratepayers, as this covers the cost of tourism promotion, economic grants, and other activities that directly benefit the sector.

Detailed information on funding on pg X of Section 4: Financial Statements section.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance | Variance commentary |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| 3.1 Economic Development | | | | | | |
| Expenditure | 37,051 | 34,954 | 31,206 | 38,108 | 6,902 | Reduced expenditure due to the closure of venues because of COVID-19 |
| Revenue | (14,040) | (14,191) | (8,695) | (14,953) | (6,258) | In the last quarter of the year, COVID-19 led to the closure of the sites within the Wellington Venues portfolio which had significant annual revenue impacts. |
| Net Expenditure | 23,011 | 20,763 | 22,511 | 23,155 | 644 | Overall an immaterial impact arising from COVID-19. The surplus arose from operational savings. |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|--|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|-------------------------------------|------------------|---|
| 3.1 City promotions and business support | 599 | 738 | 3,089 | 1,050 | 1,111 | 4,139 | 3,028 | 3,352 | Under budget on the St James Theatre fitout upgrade which is dependent on the delayed earthquake strengthening of the building. |
| Total | 599 | 738 | 3,089 | 1,050 | 1,111 | 4,139 | 3,028 | 3,352 | |

Economic development performance

The following tables provide a summary of how well we performed against Council's agreed measures: outcome indicator trends and key performance indicators results for the Economic development activity area. Some of the KPIs and Outcomes use information from the Council's Residents' Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for Outcome indicators though we have a desired trend direction. Of the 36 outcome indicators we monitor, 10 were trending in the desired direction and two had adverse trends. For details see pages X to X.

| |  |  |  | Total | Commentary |
|---|---|---|---|-------|---|
| 3.1 Whakatairanga tāone - City promotions and business support | 2 | 24 | 10 | 36 | COVID-19 had a significant impact on many of the indicators in this area, with many marked no trend because the data is significantly non-comparable to previous years. Some of the positive trends are also based on data up to the end of 2019 so are yet to show the impact of the pandemic. |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last three years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|---|--|--|---|-------|---|
| 3.1 Whakatairanga tāone - City promotions and business support | 3 | 5 | 2 | 10 | COVID-19 resulted in closure of venues and cancellation of events that meant three targets could not be achieved. Additional support to businesses in response to COVID-19 saw one target exceeded and another had an understated target. |
| 3 Whanaketanga ōhanga – Economic development total | 30% | 50% | 20% | 10 | |

Spotlight on – WellingtonNZ Business Response Team

COVID-19 has had a significant impact on the Wellington economy and therefore on every area of work of our economic development agency WellingtonNZ.

The COVID-19 Business response team was set up in March as New Zealand went into lockdown. The team's aim was to support business owners concerned about the future.

Regional business partner programme

This programme provided support for businesses with less than 100 employees across New Zealand by issuing vouchers for specialist professional services. The vouchers were a provided by Central Government and 55 percent of support went to businesses in Wellington City.

Some of the highlights were:

- 557 businesses were contacted by the Business Response team for support
- 21 Māori businesses have contacted WellingtonNZ; 14 of these businesses have received voucher funding, totalling \$31,160.

Delivered by Creative HQ we invested in the Thrive programme to support about 160 businesses that had worked out their immediate survival but needed support to create a new business plan based on their place in the post-lockdown market.

With the Ministry of Social Development, WellingtonNZ also supported the delivery of a Pop-Up Business School to help people with new business ideas to accelerate their project.

Love Local

The Love Local campaign was launched just before Wellington went into lockdown as WellingtonNZ's marketing encouraging Consumers to support local business by buying from local companies through campaigns such as:

- *At Yours* – a home delivery programme for hospitality businesses operating at Level #
- *Wellington Unlocked* – a retail business campaign
- *There's a Wellington for Everyone* – a regional tourism campaign

International education

While the number of students has reduced, about 3000 remain in the city. WellingtonNZ worked with the institutions to ensure that these students are looked after while they are in Wellington.

Workforce development

COVID-19 has accelerated the work of Government to set-up Regional Skills Leadership Groups. WellingtonNZ collaborated with government agencies to set up the group for the Wellington Region and now works to deliver better targeted training opportunities for Wellingtonians.

Screen sector

The screen sector was one of the first sectors to restart in Wellington. WellingtonNZ worked with the sector to create a standard set of industry health and safety guidelines that were appropriate to the different COVID-19 response levels and which met the complex needs of location-based filming.

4 Oranga ahurea – Cultural wellbeing

This chapter explains what we did and how we performed in our Cultural wellbeing portfolio of activities. This includes arts and cultural activities.

Overview of the Year

Our services in this section are centred on people and places; delivering events and activities, city events and festivals, attractions, and galleries and museums.

This year we organised or supported numerous events including a full summer programme (see pg X), which included annual events, cultural festivals and community fairs. We also had to re-imagine the Matariki festival for 2020 due to COVID-19. The festival was successfully held in July.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

COVID-19 and the various alert levels had, and continues to have, a significant impact the activities in this area, but there were some positive outcomes. For example, the attendance numbers for Experience Wellington attractions were hit hard, but virtual visitations (not previously measured or reported) exceeded expectations as people adapted to the new normal.

In March the arts and event sectors were hit with the reality of the impending pandemic, the Government first announced restrictions on gatherings and then the nationwide lockdown. For the Council this meant:

- 11 events cancelled or postponed
- All 2020 international artist residencies from March cancelled
- Museums and Galleries closed for two months – exhibition programmes changed
- Three exhibitions at Toi Poneke Gallery postponed
- Conservation of two artworks delayed to next year
- Conference in Canberra on Art Collection Management – cancelled

The announcement of unlimited gatherings under Alert Level 1 meant that Matariki ki Poneke 2020 could take shape as an alternative event and the performing and visual arts sector were able to reboot theatre, dance, music and exhibition programmes once again.

The Council also added a new priority the Arts and Culture Fund for applications that can: support the resilience, sustainability and recovery of organisations in Wellington City; or re-frame and adapt projects, programmes and initiatives in the light of COVID-19; or develop new works to be presented later or to reach audiences in new ways.

Performance Summary

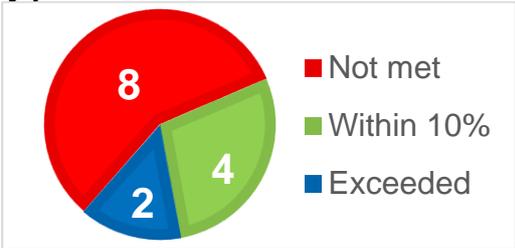
This strategy area is responsible for delivering about six percent of Council's performance measures. Out of the 14 Cultural wellbeing KPIs, two exceeded their targets, four were within 10 percent of target and eight did not meet their targets.

Utilisation is a common performance indicator our facilities and services in this area. This was one area that was significantly impacted by the COVID-19 closures including the physical visits to the Experience Wellington locations.

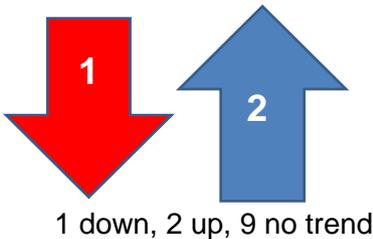
The majority of the outcome indicators in this area that had no trend relate to cultural attraction and event investment success. These all had data that was unavailable or significantly non-comparable because of COVID-19. For example, there was 440,000 fewer visitors to Te Papa during the year as the museum was closed due to COVID-19.

For the full set of outcome and key performance indicators and variance explanations, please see page X.

Key performance indicator results



Outcome indicator trends

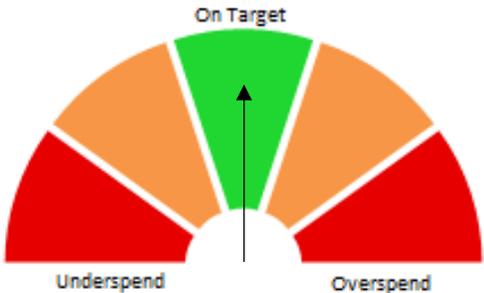


Financial summary

Overall operating expenditure was delivered on budget, even though COVID-19 led to closures of sites impacting revenue by up to 38 percent. The Tākina Convention and Exhibition Centre project capital expenditure budget sits under this activity area. The project is ahead of schedule and the phasing of the budget, so there was a \$6.3m or 37 percent overspend.

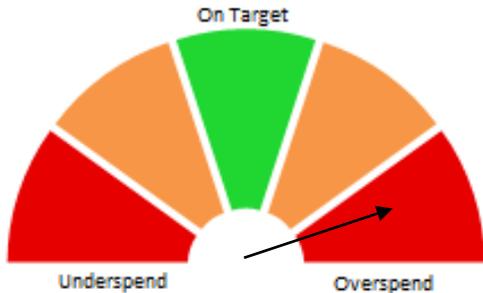
For more details on the Cultural wellbeing budget, please see page X.

Net operating expenditure



Variance: On budget

Capital expenditure



Variance: \$6.3m or 37% over spent

4.1 Ngohe toi, ahurea hoki - Arts and cultural activities

What we do

In this area we provide opportunities to develop the city's cultural scene to build engaged and curious communities, and support for galleries and museums, community arts and cultural events, and arts partnerships. We develop and deliver a range of city events, and support community events.

Some of the activities in this area are managed by Council-controlled organisation, Wellington Museums Trust that trades as Experience Wellington. This organisation is profiled on pg X in the Council-controlled organisations chapter, including details of its board and governance structure.

Many of our events in the last months of the year were cancelled or postponed. However, before that Wellington had another full summer programme, see pg X.

Key projects

Some of the activities we did in our Arts and cultural activities area this year were:

Events, arts and grant funding

Arts and Culture Fund: 73 applications funded; total \$358,710. In 2019/20, this also included the Professional Performing Arts Fund.

Creative Communities Funding Scheme: administered by the Council, in partnership with Creative New Zealand, allocated a total of \$143,091.75 to 42 projects through two funding rounds during the year.

We also supported community, suburban, and cultural events such as the 18th Johnsonville Lions Community Christmas Parade, Out in the Park, Diwali, and Bowlzilla; hosted 12 exhibitions and four artist residencies at Toi Pōneke Gallery, commissioned eight new PakiTara-toi art on walls projects (murals), and acquired 12 new artworks for the City Art Collection.

The ReCut (Kumutoto) 2019 event was a finalist in the Best Local Government Event 2019 category at the New Zealand Event Awards.

Matariki ki Poneke 2020

When the lockdown was put in place, it created uncertainty for this key winter festival. First it was not clear how long measures would be in place for that would limit crowd sizes. The key Matariki event, Ahi Kā, attracts thousands to the waterfront therefore the challenge in 2020 has been to re-imagine and re-design the Matariki festival in rapid response to the pandemic.

This led to re-thinking the celebration into a series of high-quality contemporary events from immersive online experiences to safe physically distanced events that included opportunities for the local community's participation and engagement, and provided employment opportunities to 250+ local creatives, artists, businesses and performers.

The move to Alert Level 1 in June also meant crowds were once again allowed, so the festival was re-imagined again to create one that had the best of physical and online events. The festival was held in July 2020.

However, COVID-19 affected the planning and preparation of the Matariki fireworks display and the event had to be postponed. Another date is yet to be decided.

Experience Wellington highlights

- *Suffrage in Stitches* at Wellington Museum was opened on 1 August 2019 by the Hon. Carmel Sepuloni, Associate Minister of Arts, Culture and Heritage. The first two weeks saw more than 5,300 people visit the exhibition.
- *Get a Hat, Get a Head* opened in early September 2019 at Wellington Museum and was the result of collaboration between Wellington Museum, FLUX Co-op and five creative spaces, Pablos Art Studio, Mix, Arts on High, Vinnies Re Sew and The Shed Project Kāpiti. The exhibition opening was timed to coincide with Mental Health Awareness Week and Disability Pride Week.
- In quarter two Space Place hosted a delegation from the Ministry of Space Industries (Australian Government). One outcome of this initiative is an interest in exploring links with the Stromlo Observatory in Canberra.

Cultural wellbeing finances

How it was funded

Services in this activity area are funded through a mixture of general and targeted rates and external grants and subsidies from non-Council sources.

Detailed information on funding on pg X of Section 4: Financial Statements section.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|
| 4.1 Arts and cultural activities | | | | | |
| Expenditure | 21,256 | 23,268 | 22,478 | 22,595 | 117 |
| Revenue | (746) | (811) | (639) | (1,030) | (391) |
| Net Expenditure | 20,510 | 22,457 | 21,839 | 21,565 | (274) |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|---|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|-------------------------------------|------------------|---|
| 4.1 Arts and cultural activities expenditure | 443 | 4,145 | 16,941 | 237 | 23,536 | 17,178 | (6,358) | (4,221) | The Convention Centre project is forecast to deliver on budget for the completion of the project with the current variance being due to the phasing of the budget |
| Total | 443 | 4,145 | 16,941 | 237 | 23,536 | 17,178 | (6,358) | (4,221) | |

Cultural wellbeing performance

The following tables provide a summary of how well we performed against Council’s agreed measures: outcome indicator trends and key performance indicators results for the Cultural wellbeing activity area. Some of the KPIs and Outcomes use information from the Council’s Residents’ Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for Outcome indicators though we have a desired trend direction. Of the 12 outcome indicators we monitor, two were trending in the desired direction and one had an adverse trend. For details see pages X to X.

| |  |  |  | Total | Commentary |
|---|---|---|---|-------|--|
| 4 Oranga ahurea - Cultural wellbeing | 1 | 9 | 2 | 12 | Although the National Reputation Survey was conducted during the COVID-19 Alert Level 1 restrictions, positive trends were reported for New Zealand’s perceptions of Wellington as an “event capital” and having a “culturally rich and diverse arts scene”. Unfortunately, these results are not mirrored by Wellingtonians (see detail KPIs in Chapter 9 of this section). |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last three years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|--|--|--|---|-----------|--|
| 4.1 Ngohe toi, ahurea hoki - Arts and cultural activities | 8 | 4 | 2 | 14 | COVID-19 closures of the Experience Wellington physical locations meant visitor numbers were below target for six out of seven measures. However, Capital E exceeded targets and virtual visitation spiked across sites. |
| 4 Oranga ahurea - Cultural wellbeing total | 57% | 29% | 14% | 14 | |

Spotlight on - Post COVID-19 lockdown support for music venues

Four of Wellington's independent live music venues were given a helping hand with funding to ease the blow dealt by the COVID-19 lockdown and restrictions.

San Fran, Meow, Rogue and Vagabond, and Valhalla were given a cash injection in June from Wellington City Council to help with operational costs to ensure they could keep the lights on and doors open, and provide paid opportunities for performers. With this funding we supported the venues and the arts sector at the same time.

Senior Arts Advisor Felicity Birch said independent music venues played an important role in the community. They support the city's local music scene by providing a variety of spaces for musicians, comedians and other performers to connect with audiences.

"This support for the four venues ensured that a diverse range of live music was offered to Wellington audiences from local groups and musicians who had patiently waited for lockdown restrictions to ease," Felicity said.

"The package from the Government offered long-term support for the music industry, but the Council support ensured that local venues could keep going until that kicked in."

The grants to support independent music venues were redirected from the 2019/20 venue subsidy – funding that would normally be used to help arts and community groups access Council venues but was unspent due to the lockdown.

Meow, on Edward St, was the recipient of \$25,000, which owner Rahine O'Rielly said came as a relief and she was grateful for it.

"For a long time, these music venues have not been included in any areas of funding, so it's really nice to be acknowledged ... [by] the Council and to know that they see us as important to the vibrancy of the city."

Rahine said the financial impact of COVID-19 had been worrying, but small business owners were generally resilient and used to tackling challenges. Always the optimist, she embraced the unexpected break away from Meow to enjoy time with her family.

To date, the Council has also granted \$25,000 to San Fran, \$10,000 to Rogue and Vagabond, and \$7,000 to Valhalla, to help with overhead costs and to support live events and local artists post lockdown.

Rahine used the \$25,000 Council funding to support a new weekly jazz series featuring local musicians. The gigs are also live streamed online.

"New Zealand is so lucky that we are able to put on shows when so many other places around the world can't. I feel so privileged to be here," Rahine said.

She thanked the community for its "amazing outpouring of support" during a challenging time and encouraged people to venture out to shows and to continue being kind to one another.

5 Kaupapa Pāpori me ngā Mahi a Rēhia – Social and Recreation

This chapter explains what we did and how we performed in our Kaupapa Pāpori me ngā Mahi a Rēhia – Social and Recreation portfolio of activities.

Overview of the year

Our services in this area include everything from libraries and sportsfields to social housing, community centres, and our regulatory public health functions such as liquor licensing.

We delivered several major new projects during the year, including opening Waitohi – the new community hub and library in Johnsonville. We also opened the second of our new ‘pop-up’ libraries in the central city, completed the Museum Stand upgrade at the Basin Reserve, and constructed new public toilets at Evans Bay Marina.

We also made improvements to the Karori Recreation Centre and construction started on the Alex Moore sports facility.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

COVID-19 and the various alert levels had, and continues to have, a significant impact on this area in different ways. For example, some services had to close during lockdown levels, but other were boosted to meet the increased need in the community.

- During Level 4 and 3 public facilities had to be closed. For the Council this included our swimming pools, libraries, playgrounds, and the city’s public toilets, except those used by the street community. Most community centres were also closed, except for Newlands and Linden, which provided food banks and food distribution throughout the lockdown, with the assistance of volunteers.
- Programmed work on our facilities was delayed or had to be rescheduled. For example, the openings of Te Awe library and Te Pātaka library collection and distribution centre were delayed because construction could not continue in Level 4. Some of our renewal work (e.g. on playgrounds) could also not be completed before 30 June and has been carried over into next year.
- We contacted all our social housing tenants to confirm their wellbeing and understand any welfare/support needs. We set up regular, ongoing calls to targeted housing tenant groups who were identified as particularly vulnerable or who requested regular contact.
- Many of the regional, national and international sport and recreation events were cancelled or postponed due to the lockdown. Once we went to Level 2, we helped the sector plan for shorter winter seasons.
- We provided financial help for the communities and businesses in this area, including:
 - rent holidays for sport and recreation lessees and waterfront lease and license holders from late March to 30 June;
 - free sport and recreation facility hire from 13 May to 30 June;
 - an addition \$1m in grant funding for recovery projects;
 - reduced application and inspection fees for public health services; and
 - provided refunds for alcohol licence fees for the final quarter of the year.
- In partnership with Central Government and community partners we helped 60 people into emergency accommodation, including tourists who could not return home or travel.

- We supported DCM and Wellington City Mission to set up two new transitional housing facilities: Te Pāapori and Te Paamaru, and supported 120 individuals into shelter.

Performance Summary

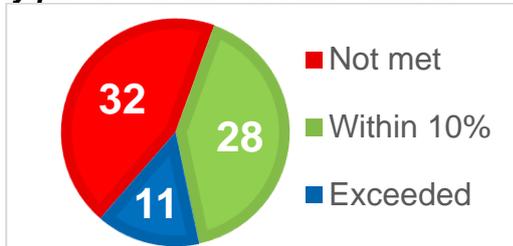
This strategy area is responsible for delivering about 31 percent of Council's performance measures. Out of the 71 KPIs, 11 were exceeded, 28 within 10 percent of target and 32 were not met.

Utilisation is a common performance indicator for the facilities and services in this area and all were significantly impacted by COVID-19 closures, including swimming pool use and physical library visits.

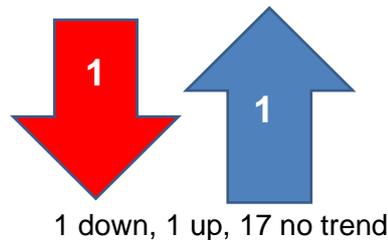
The majority of the 19 outcome indicators in this area had no trend. Many relate to measures reliant on data from our Residents Monitoring Survey, which was conducted during COVID-19 restrictions. Perceptions and experiences of Wellington are likely to have been impacted because of the effects of COVID-19 on the activities in this area.

For more information on our key performance indicators and variance explanations, see pg X.

Key performance indicator results



Outcome indicator trends



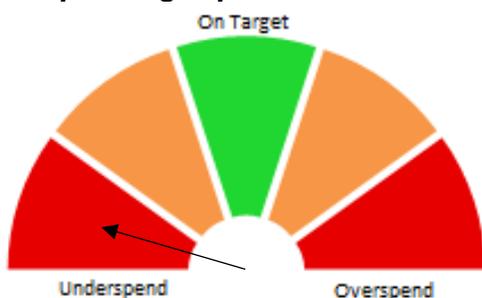
Financial summary

This year, there was 25 percent revenue loss in this area which was partially offset by deferred maintenance and lower operating costs. However, this deficit is obscured by a 2018/19 budget reallocation of \$17m [of community support expenditure as reported in the 2018/19 Annual Report, for release of the Deed of Grant with the Crown for Arlington], resulting in a positive net overall operating position of 18 percent.

The capital expenditure programme experienced delays in the opening of new libraries, upgrades to community centres and rephasing of the Alex Moore Park project. These resulted in 26 percent under spend that will be carried forward.

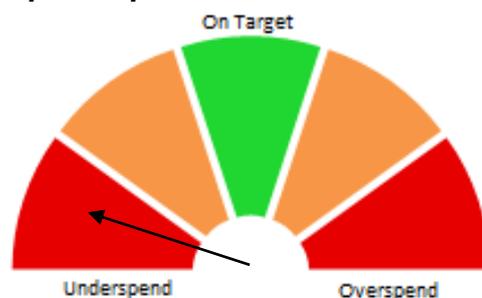
For more details on the Social and recreation budget and variance explanations, see pg X.

Net operating expenditure



Variance: \$18.4m or 18% under spent

Capital expenditure



Variance: \$11.2m or 26% under spent

5.1 Whakatairanga mahi ā rēhia – Recreation promotion and support

What we do

In this area we encourage active and healthy lifestyles and enable participation in sporting and other group activities. We support this by providing swimming pools, recreation centres, sportsfields, playgrounds and marinas, and delivering recreation programmes in our facilities.

Some services for this activity are delivered the Basin Reserve Trust and the Wellington Regional Stadium Trust. These organisations are profiled on pg X in the Council-controlled organisations chapter, including details of their boards and governance structures.

Key projects

Some of the highlights in our Recreation promotion and support activity this year include:

Alex Moore Park redevelopment underway

The Council entered into a Partnering Agreement with Alex Moore Park Sport and Community Inc (AMSCI) to construct a new sport hub facility on the upper field at Alex Moore Park. The Council will lead the development of the building, which will be owned by Council. Armstrong Downs has been awarded the construction contract. Demolition of the Olympic Harriers and Athletic Club building and the Johnsonville Cricket Club building is complete. Construction of the new hub facility has started and is expected to be completed in early 2021.

Museum Stand upgrade complete

The Basin Reserve Trust completed the seismic strengthening and refurbishment of the Museum Stand. The grandstand was opened to the public on 21 February 2020 for day one of the Black Caps versus India test match. It had been closed since 2012.

The building works for the interior were completed as planned after the test match finished. The building is now the home of the Cricket Wellington offices. It will also provide a fully refurbished home for the New Zealand Cricket Museum and is expected to re-open in February 2021.

Looking after our facilities

We carried out several renewals to facilities, including the renewal of four playgrounds and another three were substantially advanced, but behind schedule due to COVID-19. We also upgraded Keith Spry Pool to incorporate it into Waitohi and installed a new spa and sauna area. We made improvements to the Karori Recreation Centre to include a new front-of-house area, improved access for customers and a general refresh of the hall and all community areas.

We also: built a new fenced dog park on Mt Albert; renewed the artificial turf at Te Whaea and included a shock pad; and renewed an artificial turf and installed new lighting at the National Hockey Stadium.

ClubActive growing

There was continued growth in the membership numbers for ClubActive, our gym and swimming pool membership. As at 30 June we had more than 2650, which is our largest membership base on record.

Grant funding

- **Social and Recreation Fund:** 114 applications funded; totalling \$1,869,148. In June 2020 additional funding was allocated for programmes and interventions related to COVID-19, this included re-prioritised funding.
- **Sportsville Partnership Feasibility Fund:** two grants totalling \$35,259.

5.2 Tautoko hāpori – Community support

What we do

In this area we aim to develop highly liveable, safe and inclusive communities by providing community support initiatives, access to housing for those in need, and operate community facilities such as community centres and libraries to support overall quality of life.

Key projects

Some of the highlights in our Community support activity include:

Libraries

This year in our libraries there was a 50 percent increase in the use of online library resources and 3.9m library website visits.

Central city library services

The Council closed the Central Library building to the public on 19 March 2019 and, while preparing the options for the way forward, the Council worked hard in 2019/20 to ensure library services continued in the central city for Wellingtonians.

Two of the three new central city libraries opened to the public in 2019. Arapaki Manners Library and Service Centre opened on 28 May 2019 and He Matapihi Molesworth Library on 9 October 2019. The third and largest central city library, Te Awe Library, opened in July 2020. Te Pātaka, the Collection and Distribution Centre, opened to staff in June 2020. The last two were delayed due to COVID-19.

Waitohi

The Waitohi Community Hub opened in Johnsonville in December 2019. The hub incorporates the Keith Spry Pool, Johnsonville Library, Waitohi Kindergarten, Common Ground Café, and the Johnsonville Community Centre. Since opening, the hub has proved to be a popular destination for Johnsonville residents and the surrounding suburbs.

Community spaces

Over 283,000 visitors attended events and meetings at the Council's community spaces this year. The Linden Social Centre also became Wāhi Kōrero Linden Community Centre and opened its doors to Kaibosh food delivery and Kai Kitchen.

Progressing the Karori Events Centre

This project originated as part of the 2001 Karori Town Centre upgrade planning. Over the years the community's Karori Events Trust raised \$1.985m and started the build. However, the trust was not able to complete the fit-out stage, after completing the shell of the building.

To progress the project, Council agreed to accept the gift of the Karori Event Centre and to approve \$2.2m for its completion and on-going operations enabling it to function as a community hall and a new base for Footnote New Zealand Dance.

City Housing

This year we completed all insulation upgrades to our City Housing units and increased access to digital devices and literacy for City Housing tenants through the Digital Inclusion Alliance

In March, Council approved public consultation on the City Housing Social Housing Policy, which included changes to the rent setting policy. Consultation commenced in March but was put on hold just prior to the COVID-19 lockdown. Consultation including a series of public hearings recommenced and concluded post-lockdown, with the updated policy options paper to be presented to Council in 2020/21.

Housing upgrade project (HUP)

City Housing has undertaken a budget cost estimate on the proposed capital programme of upgrade to the City Housing portfolio during Phase 2 of the HUP. This programme was mandated in 2017 by the Council under the Strategy Housing Investment Plan, which combines the funding for both the upgrades and renewals budgets for the portfolio from 2017 until 2028.

HUP is also required to meet the Deed of Grant signed in 2007 between the Crown and the Council. The Crown has granted \$220m to the Council, and we have committed to match \$180m towards the \$400m 20-year upgrade programme of the City Housing portfolio. This commits the Council to stay in Social Housing until 2037.

As a result of a recent detailed condition and deed of grant compliance survey of half of the portfolio, the Council has identified significant cost increases. Potential options will be prepared for the Council to put forward for the Long-term Plan review in 2020/21.

5.3 Hauora/haumaru tūmatanui – Public health and safety

What we do

In this area we seek to address the city's public health and safety needs. This activity covers our public health regulatory functions like dog and animal control, food premises and alcohol licensing. The activity also covers the city's public conveniences, and our funding support for agencies in the city that work towards improving the health, safety and wellbeing of our communities.

Key projects

Some of the highlights in our Public health and safety activity include:

Evans Bay Marina Car Park toilets

New public toilets were installed at Evans Bay Marina carpark to support responsible freedom camping. The facilities were opened in January 2020.

Regulatory services

During the year Council's regulatory functions continued to deliver its core services. This included issuing 273 alcohol premises licences, 244 special alcohol licences issued for events, 1,182 Managers certificates issued, 1,998 food premises registered, 256 non-food premises registered, 12,328 dogs registered, and 2,118 dog and stock complaints responded. We reduced application and inspections fees for public health services to support the hospitality sector during COVID-19 restrictions.

Alcohol Fees Bylaw implemented

The Alcohol fees bylaw was approved and came into effect on 1 October 2019. The Bylaw enables us to set fees for alcohol licence applications instead of only being able to use the default fees set by the Sale and Supply of Alcohol (Fees) Regulations 2012.

Higher fees were set so the user pays more rather than this activity being funded through rates. Future fee increases were foreshadowed, subject to ongoing consultation with industry and reviews of licensing processes. This was initially earmarked to happen during the year but was postponed due to COVID-19.

Social and recreation finances

How it was funded

Services in this activity area are funded through a mixture of general rates and user charges.

Detailed information on funding on pg X of Section 4: Financial Statements section.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance | Variance commentary |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| 5.1 Recreation promotion and support | | | | | | |
| Expenditure | 42,069 | 43,767 | 42,337 | 43,506 | 1,169 | Reduction in costs due to deferred maintenance and lower operating costs during the COVID-19 lockdown. |
| Revenue | (11,710) | (11,980) | (9,193) | (12,247) | (3,054) | Significant impact in the last quarter due to COVID-19, arising from the closure of swimming pools, fitness centres and various measures Council undertook to support the community during this time. |
| Net Expenditure | 30,359 | 31,787 | 33,144 | 31,259 | (1,885) | Over budget due to COVID-19 related loss of revenue, not offset by savings in the deferred maintenance and lower operating costs. |
| 5.2 Community support | | | | | | |
| Expenditure | 56,751 | 74,134 | 66,214 | 83,494 | 17,280 | Favourable due to the recognition of the disposal of Te Mara (Arlington) sites 1 and 3 to Kāinga Ora in the 2018/19 financial year, but this was budgeted in the 2019/20 financial year. |
| Revenue | (38,087) | (24,675) | (27,204) | (23,814) | 3,390 | Timing around the receipt of rental income associated with the Te Mara (Arlington) site 2 social housing complex. |
| Net Expenditure | 18,664 | 49,459 | 39,010 | 59,680 | 20,670 | Favourable due to the recognition of the disposal of Te Mara (Arlington) social housing sites 1 & 3 to Kāinga Ora in the 2018/19 financial year (which was budgeted in the 2019/20 financial year) and rent being ahead of budget. |
| 5.3 Public health and safety | | | | | | |
| Expenditure | 16,538 | 16,816 | 17,496 | 17,337 | (159) | Increased costs in relation to Council's response in support of the community during the lockdown period. |
| Revenue | (4,339) | (4,143) | (4,469) | (4,653) | (184) | Council waived fees during the COVID-19 lockdown period which reduced revenue. |
| Net Expenditure | 12,199 | 12,673 | 13,027 | 12,684 | (343) | Increased expenditure coinciding with reduced income over the lockdown period. |
| Social and Recreation Total | | | | | | |
| Expenditure | 115,358 | 134,717 | 126,047 | 144,337 | 18,290 | |
| Revenue | (54,136) | (40,798) | (40,865) | (40,714) | 152 | |
| Net Expenditure | 61,222 | 93,919 | 85,181 | 103,624 | 18,442 | |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|---|----------------|----------------|----------------|-------------------|----------------|----------------|----------------------------|---------------|---|
| 5.1 Recreation promotion and support | 6,529 | 7,188 | 13,521 | 1,817 | 14,899 | 15,338 | 439 | 1,627 | |
| 5.2 Community support | 32,725 | 21,139 | 19,201 | 2,775 | 13,976 | 21,975 | 7,999 | 7,620 | Under budget primarily due to the delayed opening of the Libraries (COVID-19 delays through lockdown), Social Housing (will be finalised as a part of the sustainability analysis) and Community Halls programmes of works and this will be reviewed as part of the LTP planning process. |
| 5.3 Public health and safety | 999 | 1,698 | 3,492 | 2,098 | 2,776 | 5,590 | 2,814 | 2,602 | Under spend relates to delays caused by unforeseen additional work and re-working of the Alex Moore Park Sports Hub project |
| Social and Recreation Total | 40,253 | 30,025 | 36,214 | 6,689 | 31,651 | 42,903 | 11,252 | 12,490 | |

Social and recreation performance

The following tables provide a summary of how well we performed against Council's agreed measures: outcome indicator trends and key performance indicators results for the Social and recreation activity area. Some of the KPIs and Outcomes use information from the Council's Residents' Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for Outcome indicators though we have a desired trend direction. Of the 19 outcome indicators we monitor, one was trending in the desired direction and one had an adverse trend. For details see pages X to X.

| |  |  |  | Total | Commentary |
|--|---|---|---|-------|---|
| 5. Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation | 1 | 17 | 1 | 19 | The negative trend was in relation to residents' perception that Wellington offers wide range of recreation activities. The one positive trend was an increase in residents' who stated they were active for 2.5 hours or more each week. |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last three years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|--|--|--|---|-----------|--|
| 5.1 Recreation promotion and support | 24 | 10 | 6 | 40 | The majority of not met measures in this area, and the two below, were in relation to utilisation of services or visits to facilities, including sports fields, libraries and swimming pools. |
| 5.2 Community Support | 6 | 12 | 4 | 22 | Most KPIs in this area are on target. There were also good news stories in e-Library issues being 88% above target and visits to the Library website up 23% |
| 5.3 Public health and safety | 2 | 6 | 1 | 9 | This area was the least impacted by COVID-19 or other challenges through the year and remains on-track, which is in line with previous year's results. The two not met measures relate to alcohol or food licence inspections, which were unable to be carried out because of the Level 4, 3 and 2 restrictions. |
| 5. Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation total | 32 or 45% | 28 or 39% | 11 or 16% | 71 | |

Spotlight on – Helping our vulnerable during lockdown

When the COVID-19 lockdown was announced, we quickly launched a coordinated approach aimed at ensuring no-one slipped through the gaps and there was some long-term security for our most vulnerable residents.

Providing shelter

A collaboration between the Council's welfare team, the Ministry of Social Development (MSD), Housing Urban Development (HUD) and Wellington City Mission resulted in a new facility (Te Paapori – which means community) opening in a private property with 38 self-contained units secured until the end of September. Mitre 10 Mega also provided fridges and freezers for each unit to help safely accommodate residents in self-isolation.

The cost of the accommodation was covered by MSD and HUD. The Wellington City Mission managed Te Paapori as a Kaupapa Māori service, with 24/7 staffing, food and support functions. The success of the units means a long-term solution for this facility is now being worked on.

The Wellington Night Shelter usually houses about 40 men each night, with communal and dormitory living which didn't allow for social distancing. By relocating 20 of their residents to Te Paapori, where they had their own self-contained space to isolate, the remaining Night Shelter guests had the space to spread out and have separate bedrooms while we were in Alert Level 4 lockdown.

We also identified the public toilets used by the street community and increased the cleaning of them to ensure they were safe in a pandemic lockdown situation.

We also supported families and individuals in need of emergency accommodations during Level 4 and 3. These 60 people ranged from New Zealanders who were unable to travel during lockdown, tourists who couldn't return home or travel and foreign nationals who were no longer able to work in New Zealand.

Between our efforts and those of our community partners, more than 120 individuals were supported into shelter during our response.

Food support

Assisting people to access food was also a priority and our response leveraged our relationships with existing partners. The need for support was high and immediate. This included supporting those who were unable to get out or shop online, were in financial difficulty, and those who would normally access food assistance but were unable to. Our partners included, Wellington City Mission, Salvation Army, St Vincent de Paul, Home of Compassion Soup Kitchen, Kiwi Community Assistance, Kaibosh, local food banks and the Student Volunteer Army.

- The Soup Kitchen and Wellington City Mission provided more than 15,264 takeaway meals during Level 4 and 3. This was an increase of 283 percent compared to the same time last year.
- Food rescue service Kiwi Community Assistance rarely processes more than a tonne of food a day. During Level 4, it was processing up to three tonnes of food each day.
- Kaibosh food rescue processed more than 52,000kg of food, or the equivalent of 148,600 meals.

6 Tāone tupu ora - Urban development

This chapter explains what we did and how we performed in our Urban Development portfolio of activities.

Overview of the year

Our services in this section includes urban planning, heritage and public spaces development, and building and development control.

We continued progress on the city's draft spatial plan that will outline how and where the city will grow, upgraded the Grey Street pocket park and continued our programme of work on earthquake prone buildings. We also continued with strengthening of the Town Hall and carried out our regulatory building and development control functions.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

While COVID-19 materially impacted the use and delivery the services and facilities in this area, not all were equally affected.

- We delayed engagement on the draft Spatial Plan for Planning for Growth until after lockdown to ensure the community could be engaged without any restrictions
- We decided not to proceed with proposed resource and building consent fee increases for the year to support the sector and Wellingtonians. This will be revisited as part of the 2021-31 Long term Plan.
- We offered refunds for resource and building consent fees where plans had changed because of COVID-19 on the basis that these were surrendered or cancelled. There was negligible uptake on this support.
- We initiated the Innovating Streets tactical urbanism project, but due to New Zealand's relatively quick recovery from the pandemic, many of these projects are now on hold or being re-thought now that social distancing measures are no longer in place.

Performance Summary

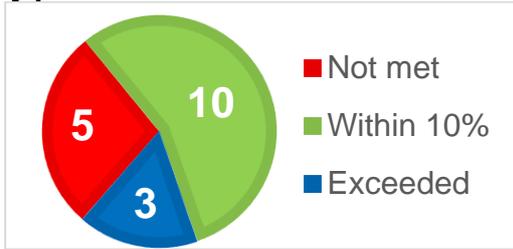
This strategy area is responsible for delivering eight percent of Council's performance measures. Out of the 18 KPIs, three were exceeded, 10 within 10 percent of target and five were not met.

This year it continued to be challenging to achieve the timeliness targets in our consenting and compliance service delivery area. We have also seen a decline in residents' satisfaction with retaining and valuing heritage items, and elements of city attractiveness. Residents' perceptions of the city and suburbs may have been influenced by the timing of the survey, shortly after COVID-19 lockdown, as there has been an increase in people appreciating their suburban public areas.

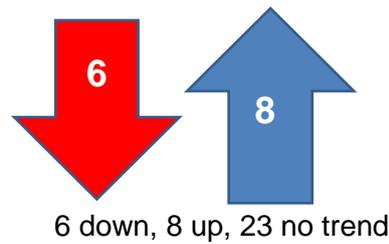
Out of the eight outcome indicators that have a positive trend the majority relate to growth of the population in the central city, however there is a negative trend in measures about the affordability of housing. Of the 23 with no trend, the majority are new measures meaning there is insufficient data to determine a trend at this stage.

For the full set of outcome and key performance indicators and variance explanations, please see page X.

Key performance indicator results



Outcome indicator trends



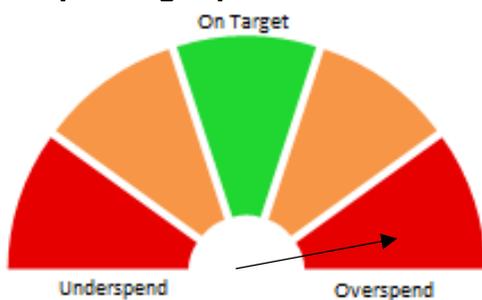
Financial summary

The 6.2 Building and development activity area was over budget on expenditure and under budget on revenue causing 54 percent net operating expenditure overspend in this area – translating to a 23% overspend overall. The reduction in economic activity and therefore revenue is directly linked to COVID-19 lockdown restrictions.

Both Urban development activity areas, experienced delays causing underspends in the capital works programme, resulting in \$28m being carried forward.

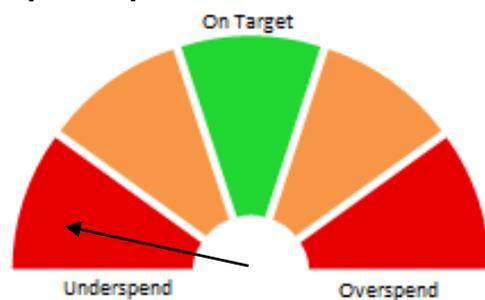
See page X for descriptions of projects being carried forward and for more details on the Economic development budget, please see page X.

Net operating expenditure



Variance: \$4.6m or 23% overspent

Capital expenditure



Variance: \$22.9m or 47% under spent

6.1 Whakamahere tāone, whakawhanake wāhi tuku – Urban planning, heritage and public spaces development

What we do

In this area we seek to make sure the city remains liveable even as our population grows and challenges around seismic risk and climate change increase. We want housing to remain affordable. We also want to maintain the city's unique character, protect heritage, and to improve its resilience so it is better able to withstand future shocks and stresses. We carry out spatial planning work and public space improvement work to achieve those goals.

Key projects

Some of the highlights in our urban planning, heritage and public spaces activity include:

Draft Spatial Plan

The draft Spatial Plan provides for the growth of the city over the next 30 years while also protecting the things that make Wellington special. The consultation and background data was prepared during the year, but consultation was delayed for several months due to lockdown. The Spatial Plan will directly inform the development of the Wellington Regional Growth Framework, and the District Plan review.

Grey St Pocket Park

Grey St forms part of the main pedestrian city-to-sea link from the Cable Car on Lambton Quay to Queens Wharf. The pedestrian area at the Lambton Quay end had been upgraded many years ago but had become tired and run down. A review and refocus of the space and how it was used was undertaken, and an upgrade was carried out that included paving, seating, lighting and planting. The project was completed on time and on budget in quarter one of 2019/20.

Earthquake prone buildings

Between October 2014 and February 2020, 65 earthquake prone heritage buildings were removed from the Earthquake Prone Building List. We completed the process of issuing new notices to priority buildings as required by legislation, and have started to ramp up activity for a spike in expired notices in 2027. With about 550 Wellington City buildings requiring attention, we anticipate that activity associated with this programme will have a short-term impact on the running of the city, but ultimately will leave a legacy of improved resilience and higher quality building stock.

Built Heritage Incentive Fund: 11 applications funded; total \$466,000, average grant size \$42,363.64, largest \$160,000, smallest \$4,000.

Town Hall

The Town Hall project continued this year, with contractors Naylor Love established on site in May 2019. During the year the existing basement structure and ground floor slab, including the auditorium was removed, the Municipal Office Building annex and West Hall structures were demolished and temporary propping installed, and the placement of new piles is underway. COVID-19 has delayed the project and the current estimate for completion is the third quarter of 2023, however uncertainty with material and equipment supply from overseas is requiring ongoing monitoring.

6.2 Whakahaere hanga whare – Building and development control

What we do

In this area we undertake regulatory functions for the built environment, including issuing Building and Resource consents.

Some of the highlights in our Building and Development Control activity area this year are:

Key projects

Building consents

This year, 1,428 building consents were issued for Wellington City, an increase of 450 on last year.

We achieved and maintained our accreditation as a building consent authority, as a result of our two-yearly assessment by International Accreditation New Zealand. Without renewing our accreditation as a Building Consent Authority, Wellington City Council would not be able to undertake its building control functions.

The first half of year was the most productive for the last five years in terms of both consents granted and inspections conducted per officer. Inspections for the year also ended at an all-time high (30,000) and returned to near normal volumes post-COVID. A focus on timeliness during lockdown saw significant improvement on statutory timeframes.

Resource consents

The number of resource consents trended down with a total of 681 for this year. One of the major applications in the year was the resource consent which was granted for a new National Archives building in Aitken Street following a publicly notified process. Overall, the team continued to achieve well in terms of customer satisfaction consistently reaching a satisfaction rate of more than 90 percent over the year. We also revamped the resource consent web pages and created the ability to receive online resource consent applications.

Urban development finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges, and grants and subsidies.

Detailed information on funding on pg X of Section 4: Financial Statements section.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance | Variance commentary |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| 6.1 Urban planning, heritage and public spaces development | | | | | | |
| Expenditure | 8,338 | 10,086 | 10,979 | 11,093 | 114 | |
| Revenue | (59) | (163) | (73) | (22) | 51 | |
| Net Expenditure | 8,280 | 9,924 | 10,906 | 11,072 | 166 | |
| 6.2 Building and development control | | | | | | |
| Expenditure | 21,064 | 20,623 | 25,552 | 22,976 | (2,576) | Higher professional fees due to the complexity and volume of reviewing applications and higher associated personnel costs. |
| Revenue | (13,523) | (13,720) | (11,990) | (14,186) | (2,196) | The drop-in economic activity in the Building and Resource consent areas during the lockdown period resulted in decreased revenue. |
| Net Expenditure | 7,541 | 6,902 | 13,562 | 8,790 | (4,772) | Higher professional fees and personnel costs and COVID-19 impacts on revenue |
| Urban Development Total | | | | | | |
| Expenditure | 29,402 | 30,709 | 36,531 | 34,069 | (2,462) | |
| Revenue | (13,582) | (13,883) | (12,063) | (14,207) | (2,144) | |
| Net Expenditure | 15,820 | 16,826 | 24,468 | 19,862 | (4,606) | |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|---|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|-------------------------------------|------------------|---|
| 6.1 Urban planning, heritage and public spaces development | 12,287 | 6,046 | 10,597 | 2,742 | 3,250 | 13,339 | 10,089 | 10,089 | Significant under spend due to later than planned signoff on Frank Kitts Park. The North Lambton Quay project has been delayed to be aligned with the LGWM Golden Mile work stream and delays in the laneways programme to the next financial year. |
| 6.2 Building and development control | 7,216 | 8,563 | 33,025 | 2,117 | 22,349 | 35,141 | 12,792 | 17,888 | Under spending due to the earthquake strengthening programmes for the St James Theatre and the Town Hall being behind (partially due to the impacts of COVID-19) |
| Urban development total | 19,504 | 14,610 | 43,621 | 4,859 | 25,599 | 48,480 | 22,881 | 27,977 | |

Urban development performance

The following tables provide a summary of how well we performed against Council's agreed measures: outcome indicator trends and key performance indicators results for the Urban development activity area. Some of the KPIs and Outcomes use information from the Council's Residents' Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for Outcome indicators though we have a desired trend direction. Of the 37 outcome indicators we monitor, eight were trending in the desired direction and six had adverse trends. For details see pages X to X.

| |  |  |  | Total | Commentary |
|---|---|---|---|-------|---|
| 6 Tāone tupu ora - Urban development | 6 | 23 | 8 | 37 | Positive trends for growth in number and value of building consents, population and attractiveness of suburbs. Negative trends for attractiveness of central city, safety concerns and heritage measures. |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last 3 years to show trends and include variance explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|---|--|--|---|-----------|--|
| 6.1 Urban planning, heritage and public spaces development | 3 | 2 | 3 | 8 | All the results that were exceeded or not met stem from the Residents' Monitoring Survey. Public spaces achieved good increases whereas heritage and character measures dropped. |
| 6.2 Building and development control | 2 | 8 | 0 | 10 | Timeliness for building consent continuing previous years decline. Processing of LIMs was within target for three out of four quarters. |
| 6 Tāone tupu ora - Urban development total | 5 or 28% | 10 or 56% | 3 or 17% | 18 | |

Spotlight on – Seismic sensors to help in earthquake

A strong earthquake near Levin on 25 May 2020 was a reminder that earthquakes do not respect COVID-19. Council also learned that after the Kaikoura earthquake it sometimes took months to assess the impact of the shaking on the city's buildings.

Therefore in 2019/20, Council reached an agreement with Canterbury Seismic Instruments (CSI) to install a close network of 100 sensors installed in our traffic light cabinets.

CSI is the developer of the network, called Sentinel, which is an earthquake response service that delivers real-time earthquake building status updates to cities and building owners, occupiers and property managers.

The partnership between the Council and CSI involves free exchange of information from the network for Council use, in return for access to the traffic light cabinets to enable the installation of the system.

The sensors mean the Council – and subscribed business operators and building owners – can rapidly assess the condition of buildings and infrastructure after a shake throughout the city. This crucial ground-shaking data will help emergency managers make quick decisions about which Wellington City Council buildings are safe for occupancy or not.

The Sentinel app also lets people flag the locations of friends and family and be automatically informed of the shaking at these locations. This helps every person answer the most pressing questions in the aftermath of a quake: What should I do? What was the shaking like for my partner or parents? At my kids' school? Where do I go first? The information is delivered to users via text, email, website or via a smartphone app.

The intention is that the sensors in Wellington will be no more than 200 metres apart.

Dr Hamish Avery, the Chief Technology Officer and Government Relations Manager at CSI, said a dense grid was necessary to ensure accurate measurement of the shaking at every point due to the big differences in ground and soil conditions and subsurface structures in central Wellington.

“Over several hundred metres you can go from solid rock to reclaimed land to old marshy areas and stream beds in parts of the central city. This means the shaking will vary greatly over small distances and helps to explain why some Wellington buildings were badly damaged in the 2016 Kaikoura quake, and had to be demolished, while others nearby were undamaged.”

Sentinel works by creating ground shaking 'heat maps' from the dense sensor data for each earthquake in several different formats, from shaking relative to the Building Code to how much the ground has moved relative to the Mercalli Intensity scale. The 'heat maps' also show probable damage to underground services such as power, water, and telecommunications.

At an individual building level, the shaking beneath a building is compared to its known strength and a damage estimate is made. The Council will use this information to better respond to earthquakes for its own buildings.

The first sensors were installed in Christchurch in late 2018 and then Waimakariri District Council in early 2019. A network is also operating in Hutt City. The Wellington Sentinel sensor installation is expected to be completed by September 2020.

7 Waka - Transport

This chapter explains what we did and how we performed in our Transport portfolio of activities.

Overview of the year

Our services in this section include everything from looking after traffic lights in the city, road markings, resurfacing the carriageway, earthquake strengthening tunnels, and walls above and below the road, road safety, and look after the city's footpaths and cycleways. We also look after Council-owned parking in the city.

During the year we completed the earthquake strengthening of the Seatoun Tunnel portals, continued to work on the Let's Get Wellington Moving programme with our partner agencies, worked closely with GWRC on planning and implementing the last of the major bus hubs, and maintained our extensive transport network, cycleways and footpaths.

Impact of COVID-19

The following outlines the impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the lockdown.

While COVID-19 materially impacted the use and delivery the services and facilities in this area, not all were equally affected.

- Physical works delivering cycleways projects went on hold during Level 4 of lockdown. Work resumed after lockdown, but the programme was delayed overall.
- With more people cycling and walking in their neighbourhoods during lockdown, we implemented a lower 30kmh speed limit along the South Coast and Miramar Peninsula roads
- We installed temporary P15 parks in the central city, to support retailers and click-and-collect initiatives, allowing customers places to park to collect their takeaway food and shopping orders.
- Parking fees for metered and coupon spaces were made free of charge from 24 March until 11 May – during the Level 4 lockdown periods. Paid parking resumed 12 May, two weeks after the move back to Level 3.
- We arranged the Courtenay Place weekend closure to traffic to support local bars and restaurants when we moved up the levels and were required to coordinate parking services, emergency services, and public transport, and to ensure pedestrians could keep as safe as possible.
- We deployed a dozen Variable Messaging System (VMS) boards to assist with general messaging such as - “drivers, watch for pedestrians” and to assist with COVID-19 testing facilities and to improve the safety of the network with more people walking and cycling in the city.

Performance Summary

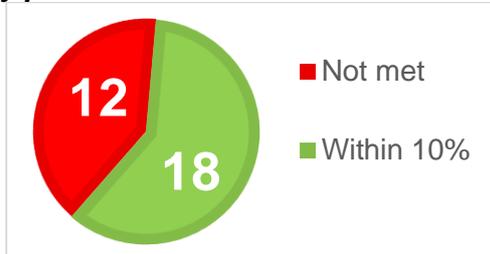
This strategy area is responsible for delivering about six percent of Council's performance measures. Out of the 30 KPIs reported, none were exceeded, 18 were within 10 percent of target and 12 were not met.

COVID-19 did not have a material impact on the performance indicators for the transport network as most are technical in nature for example condition of roads, walls, bridges and tunnels. There was direct impact on parking occupancy as travel restrictions forced people to work from home and reduced utilisation of cable car.

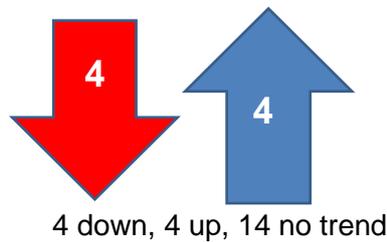
Most of the outcome indicators showed no discernible trend with four showing an improving trend and four showing a declining trend. Resident’s monitoring survey results make up six of the eight trending results, with modes of transport accounting for the other two.

For the full set of outcome and key performance indicators and variance explanations, please see page X.

Key performance indicator results



Outcome indicator trends



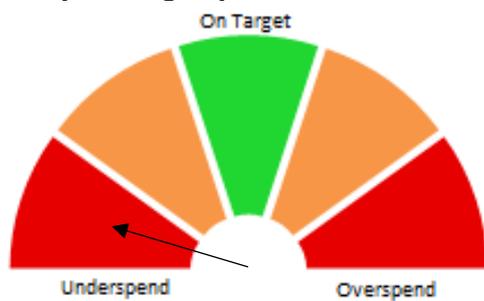
Financial summary

Operating expenditure for the transport activity area was underspent by 9 percent and revenue was over budget by 42 percent due to additional NZTA subsidies, taking the net position to \$9.6m underspent. The net position for parking was down 25 percent due to the waiving of parking fees in response to COVID-19 restrictions. Overall, the operating budget was \$5.8m underspent.

Delays to road resurfacing works and to other work programmes, including the cessation of work during COVID-19 lockdown, resulted in 16 percent capital underspend, with \$10.7m to be carried forward.

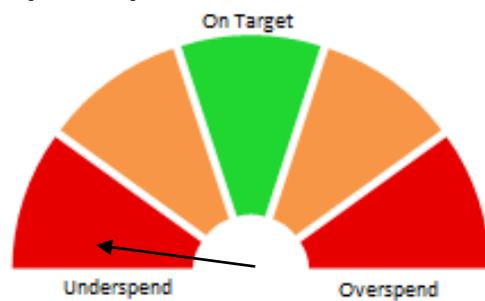
For more details on the Cultural wellbeing budget, please see page X.

Net operating expenditure



Variance: \$5.8m or 12% under spent

Capital expenditure



Variance: \$9.6m or 16% under spent

7.1 Waka – Transport

What we did

In this area we manage, maintain and improve the city’s transport network so that people can access places easily and safely. We look after hundreds of kilometres of city accessways, footpaths, bike paths and lanes, and roads, including bus lanes and stops, parking facilities, traffic signs and signals, street lighting and pedestrian crossings.

Some of the activities in this area are managed by Council-controlled organisation Wellington Cable Car Limited. This organisation is profiled on pg X in the Council-controlled organisations chapter, including details of its board and governance structure.

Key Projects

Some of the highlights in our Transport activity this year include:

Let’s Get Wellington Moving (LGWM)

Detailed planning activities continued for Let’s Get Wellington Moving. This included development of options for: Mass Rapid Transit from the Railway Station to Airport; Strategic Highway Improvements including the Basin Reserve and an extra Mt Victoria Tunnel; and improvements for buses, cycling and walking into and across the central city including the Golden Mile and Thorndon Quay/Hutt Road. We also introduced safer speed limits of 30kmh on most central city streets in July and consulted on options for the Golden Mile.

Public Transport Infrastructure

We worked closely with GWRC on planning and implementing the last of the major bus hubs as part of the improvements to the transfer points necessary for the changes brought about by the network changes to bus routes in July 2018. These included new bus passenger interchange transfer locations at Karori Tunnel and in front of the new Johnsonville library on Moorefield Road, Johnsonville.

Strengthening and resilience work

During the year we completed the earthquake strengthening of the Seatoun Tunnel portals and retaining wall on the Strathmore side. We also completed strengthening Happy Valley Road Bridge, replaced Box Hill bridge pedestrian barriers, and started strengthening works on Grant Rd and Frandi St retaining walls.

Network improvements

We made several network improvements, including:

- cycleways completed: 955m of a two-way bike path for public use from Oriental Bay to Little Karaka Bay; new walking and biking paths on Hutt Rd; an uphill bike lane on Crawford Rd; bike lanes on Rongotai Rd; Wakely Rd shared path upgraded, and a two-way bike path on part of Evans Bay Pde
- made a variety of network improvements including widening Glanmire Rd to improve visibility and made safety improvements to Takarau Gorge Rd;
- resurfaced 377,000sqm of roadways and installed 6,150m of road markings;
- launched a street light outage map for customers, repaired 220 damaged hand, guard and sight rails, and completed the renewal of five retaining walls and one seawall;
- installed 513 LED lights and 105 new light poles;
- cleaned 772 slips on our roads and footpaths; and
- completed the Bus Priority Action Plan and trialled the use of e-scooters.

7.2 Tūnga waka – Parking

What we did:

In this area we operate approximately 3,200 on-street parks across the central city, with approximately 890 further parks located in off-street locations. Most of the off-street parks are in the Clifton Parking area located off the Terrace which is managed by the Council on behalf of Waka Kotahi NZTA. In addition, the Council manages several resident and coupon parking zones across the city and enforces parking restrictions and parking-related bylaws in surrounding suburbs.

Key Projects

Some of the activities we did in our Parking area this year include:

City parking

Council manages on-street parking through a mix of mechanisms, including clearways, time limits, meter charges, class restrictions (such as mobility, motorcycle, taxi and buses), coupon parking zones and residents parking zones.

- issued 190,502 parking infringements
- issued 8,195 Resident, Coupon, Loading Zone and Guest permits
- processed more than 20,000 appeals from customers questioning the reason why they were issued an infringement.

New Parking Policy adopted

We adopted a new Parking Policy which will guide future decision-making on the management of all Council-controlled parking spaces across the city. The new policy puts in place a hierarchy to prioritise spaces for different types of parking in different parts of the city and how that space is used. The policy also provides a new approach to setting parking fees in response to supply and demand and developing area-based parking management plans.

Trialling the use of Cashless Meters

During the year the Council began a trial of cashless meters. Ten cashless meters are currently located at selected locations across the city and are located close to a cash accepting machine to ensure that on-street parking customers have a choice to pay for their parking by cash, card or phone app. Given the impact of COVID-19 a decision has been made to extend the trial into the 2020/21 year. Once the trial is completed, we will analyse the results and decide whether the use of cashless meters will be expanded.

Transport finances

How it was funded

Services in this activity area are funded through a mixture of general rates, fees and charges and grants and subsidies received from Waka Kotahi NZTA for transport related activities.

Detailed information on funding on pg X of Section 4: Financial Statements section.

What it cost (operating expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Budget | 2019/20 Variance | Variance commentary |
|------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--|
| 7.1 Transport | | | | | | |
| Expenditure | 55,186 | 59,966 | 64,212 | 70,410 | 6,198 | Reduced expenditure due to the timing of LGWM projects and a delay in the Ngauranga to Petone cycleway. COVID-19 resulted in the cessation of all but safety related work through the lockdown period. |
| Revenue | (9,974) | (14,509) | (11,789) | (8,327) | 3,462 | Additional subsidy revenue from NZTA arising from capital project work undertaken in relation to LED streetlights, pedestrian network and road maintenance. |
| Net Expenditure | 45,212 | 45,457 | 52,423 | 62,083 | 9,660 | Favorable variance due to higher NZTA subsidies for capital work and a reduction in Actual expenditure arising from the timing of costs incurred for LGWM and the Ngauranga to Petone cycleway |
| 7.2 Parking | | | | | | |
| Expenditure | 14,294 | 14,593 | 15,490 | 16,718 | 1,228 | |
| Revenue | (26,992) | (29,036) | (27,221) | (32,307) | (5,087) | Reduced parking income due to the waiving of parking fees over the lockdown period. |
| Net Revenue | (12,698) | (14,443) | (11,731) | (15,589) | (3,859) | |
| Transport Total | | | | | | |
| Expenditure | 69,480 | 74,559 | 79,702 | 87,128 | 7,425 | |
| Revenue | (36,966) | (43,545) | (39,010) | (40,634) | (1,625) | |
| Net Expenditure | 32,514 | 31,014 | 40,693 | 46,494 | 5,801 | |

What it cost (capital expenditure \$000)

| | 2017/18 Actual | 2018/19 Actual | 2019/20 Budget | 2019/20 Revisions | 2019/20 Actual | Revised budget | Variance to revised budget | Carry forward | Variance Commentary |
|------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|-------------------------------------|------------------|---|
| 7.1 Transport | 55,166 | 53,492 | 57,883 | 535 | 48,898 | 58,417 | 9,519 | 10,631 | Under budget due to delays on road surface renewal work and timing on other large projects eg. Bus Priority Planning, Ngaio Gorge and Wadestown route resilience. The cessation of work other than safety related through lockdown has caused significant underspending |
| 7.2 Parking | 299 | 821 | 224 | 80 | 192 | 304 | 112 | 71 | |
| Transport Total | 55,465 | 54,313 | 58,107 | 614 | 49,090 | 58,721 | 9,631 | 10,702 | |

Transport performance

The following tables provide a summary of how well we performed against Council’s agreed measures: outcome indicator trends and key performance indicators results for the Transport activity area. Some of the KPIs and Outcomes use information from the Council’s Residents’ Monitoring Survey (RMS), which is undertaken on an annual basis. The survey has a margin of error of +/- four percent.

Outcome Indicators

We use outcome indicators to monitor our city over time, which provides information on trends that may influence our performance including, those outside our control. We do not set targets for Outcome indicators though we have a desired trend direction. Of the 37 outcome indicators we monitor, four were trending in the desired direction and four had adverse trends. For details see pages X to X.

| |  |  |  | Total | Commentary |
|---------------------------|---|---|---|-----------|--|
| 7 Waka - Transport | 4 | 14 | 4 | 22 | Six out of the eight outcome trends evident, were sourced from the Resident’s Monitoring Survey. Desired trends were seen against discouraging use of cars and encouraging use of public transport and active modes however safety concerns increased. |

Key Performance Indicators

We use performance measures to track how well we are delivering services against targets as set out in the 10-year and annual plans. The detailed results of Key Performance Indicators are listed in Chapter 9 of this section, see pages x to x. These pages include data for the last three years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

| |  Not met |  Within 10% |  Exceeded | Total | Commentary |
|---------------------------------|--|--|---|-----------|---|
| 7.1 Transport | 7 | 18 | 0 | 25 | Although some measures improved, KPIs were not met for: condition rating of wall structures, road resurfacing, cycling, traffic congestion, street lighting in suburbs and Cable car passenger trips. This underperformance was not related directly to COVID-19. |
| 7.2 Parking | 5 | 0 | 0 | 5 | None of the parking KPIs were met, with impacts of COVID-19 restrictions on occupancy rates. Resident’s perception of parking continues to be well below target. |
| 7 Waka - Transport total | 12 or 40% | 18 or 60% | 0 | 30 | |

Spotlight on – Daily checks help keep kororā safe

Every morning before construction work begins for the new Cobham Drive cycleway, workers check for kororā (little blue penguins) which could have taken refuge overnight.

They check under and around vehicles, and in the areas where rock is going to be moved from and to – using a torch when necessary, and a special camera has been set up to help them see into the crevices between rocks.

Wellington City Council project manager and engineer Veronica Byrne said careful penguin management was a top priority for the transport project, which had almost finished transforming the previously eroding, and somewhat neglected, area into a much more appealing place for people to walk, run, bike, scoot and spend time.

The Cobham Drive improvements include replacing the existing shared path with a two-way bike path and separate footpath, enhancing the sculpture trail, improving two beaches, building a 430m-long rock revetment (bank) to help control erosion, and planting thousands of native plants.

“Our contractors, Downer, take penguin health and safety seriously, and bought the camera to help ensure there are no surprises,” Veronica said.

“It helps that building engineered rock seawalls like the one going in between the roundabouts at Calabar and Troy streets is a very careful process. The right-sized rocks have to be slowly and skilfully lowered into position to avoid dropping and breaking them, which means our operators are also able to keep an eye out for little blues.”

As part of the planning and consent process, a penguin management plan was developed with, and approved by, the Department of Conservation and actions on site include daily penguin checks and reporting.

DOC senior ranger biodiversity Brent Tandy said the transport project had been a good example of how things should be done.

“In terms of attitude, it’s been really good right from the start,” he says. “All of the construction team has been engaged, involved and aware, which is critical for the right outcome.”

Penguins tend to avoid the construction zone, but if one is spotted, which has happened on a few occasions, work in the immediate vicinity temporarily stops, and the team seek advice from Brent on the best course of action.

The workers on site are very familiar with spots where penguins have nested and rested in the past, following regular visits by New Zealand’s only penguin detection dog Mena and her handler Alistair Judkins.

Mena is certified by the Department of Conservation to work as a conservation dog as part of its Conservation Dogs Programme, and her visits have been timed to coincide with penguin nesting and moulting seasons.

Predator Free Wellington also checks and maintains predator traps in the area, and volunteers from Places for Penguins will be placing and monitoring 20 permanent nesting boxes.

8 Council-controlled organisations

Included in our strategic areas is our reporting on the organisations that undertake activities on behalf of the Council and are each governed by an independent board. Council-controlled organisations (CCOs) enable the Council to use specialist expertise to manage Council assets or deliver Council services. There are seven CCOs plus the Wellington Regional Stadium Trust:

- **Basin Reserve Trust** manages and promotes the Basin Reserve for recreation, leisure, and games of domestic and international cricket.
- **Karori Sanctuary Trust** trades as ZEALANDIA and manages ongoing conservation and restoration work at its sanctuary in Karori.
- **Wellington Cable Car Ltd** maintains and operates Wellington's iconic Cable Car.
- **Wellington Museums Trust** trades as Experience Wellington and manages educational and cultural facilities and experiences.
- **Wellington Regional Economic Development Agency Ltd (WREDA)** trades as WellingtonNZ and is the city and region's economic development organisation.
- **Wellington Regional Stadium Trust** owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting and events venue. Sections 5 and 6, Schedules 8 and 9 and Part 5 of the Local Government Act 2002 do not apply to the Wellington Regional Stadium Trust. The Trust is not a Council-controlled organisation, however its relationship with Council is conducted in a similar manner so it is reported here in a similar fashion.
- **Wellington Water** manages all three water services for Hutt, Porirua, Upper Hutt and Wellington city councils, and South Wairarapa District councils.
- **Wellington Zoo Trust** manages the zoo, provides experiences and education and supports conservation initiatives.

FURTHER READING: For details on the performance of each entity, please refer to their respective annual reports.

Basin Reserve Trust

The Basin Reserve Trust is responsible for the operation and management of Wellington's Basin Reserve.

The day to day operational activities are carried out by Cricket Wellington under a management agreement with the Trust. The Trust is comprised of four members, two elected by Wellington City Council including the chairperson and two members elected by Cricket Wellington.

The Basin Reserve is the home of Cricket Wellington and the home ground for the Wellington Blaze (women) and Wellington Firebirds (men) cricket teams.

The Basin Reserve is also a busy route for commuters on cycles, riding scooters and walking to and from the city year round.

The Basin Reserve is the home of the New Zealand Cricket Museum.

The board of trustees is: Alan Isaac (Chair and Council appointee) Councillor Sean Rush (Council appointee) Mike Horsley (Cricket Wellington appointee) and John Greenwood (Cricket Wellington appointee)

For full details on the trust's performance please refer to its annual report and the Council KPIs section in Chapter 9 of this section.

Karori Sanctuary Trust

The Karori Sanctuary Trust is a not-for-profit community-led organisation and trades as ZEALANDIA. It is the world's first fully-fenced urban ecosanctuary, with a 500-year vision to restore Wellington's forest and freshwater ecosystems as close as possible to their pre-human state. The 225-hectare, renowned and popular conservation project has reintroduced more than 20 species of native wildlife back into the area, and as a result of 'spill-over' beyond the fence, has significantly changed the birdlife of Wellington.

The organisation also has a significant engagement, education and empowerment programme. ZEALANDIA is the city's largest provider of environmental education outside the classroom, and supports academic research across diverse disciplines. It also has several projects outside the sanctuary. For example, Sanctuary to Sea Kia mouriara te Kaiwharawhara, which coordinates efforts to restore the mauri (lifeforce) of the Kaiwharawhara Stream. ZEALANDIA aims to connect the 130,000+ visitors it receives each year with insights into conservation and what it means for people.

The governance structure for the Trust has a governing board of trustees and a separate board for the guardians of the sanctuary. The trustees are appointed by Wellington City Council with guidance from the Guardians of the Sanctuary.

The board of trustees is: Phillip Meyer (Chair), Professor David Bibby, Jo Breese, Dr Libby Harrison, Pete Monk, and Russell Spratt. The Chief Executive is Paul Atkins.

The Guardians provide a long-term strategic perspective on the sanctuary's evolution and have an active interest in the long-term future of the Trust. The Guardians are: Roy Sharp (Chair), Julia Bracegirdle, Latu Clark, Mayor Andy Foster, Jim Lynch QSM, Ellen Carylton, and Dr Nicola Nelson.

For more details on the trust's performance please refer to its annual report and the Council KPIs section in Chapter 9 of this section.

Wellington Cable Car Limited

Wellington Cable Car Ltd owns and operates the city's iconic funicular railway that runs between Lambton Quay and Kelburn, a hill suburb overlooking the city and harbour. The first journey was taken on 22 February 1902.

The Cable Car is one of Wellington's most well visited attractions and records more than 1 million passenger journeys a year comprising of commuters, students and residents as well as the many visitors to Wellington.

Views from the Kelburn precinct are some of the most photographed in Wellington. The precinct contains the Cable Car Museum and is a gateway to Space Place, the Botanic gardens, the Kelburn village and the free shuttle service to ZEALANDIA.

Wellington Cable Car Ltd is wholly owned by the Council and directors appointed to the board are Council officers. The Chief Executive is Cesar Piotto, who joined the Cable Car on 4 May 2020.

The board of directors is Andy Matthews (Chair), Danny McComb and David Perks.

For full details on the trust's performance please refer to its annual report and the Council KPIs in Chapter 9 of this section.

Wellington Museums Trust

The Wellington Museums Trust, which trades as Experience Wellington, operates six institutions on behalf of the Council.

These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, the Cable Car Museum, and Wellington Museum. In addition to operating these diverse activities the Trust manages the Plimmer's Ark display in Old Bank Arcade, the recovered Plimmer's Ark timbers in storage and, Wellington city's heritage collections, and provides support to the New Zealand Cricket Museum.

In managing these institutions and artefacts, the Trust's main activities include:

- delivering a diverse programme of events and exhibitions.
- working with national and international artists.
- conserving and caring for the objects of its collections.
- delivering education experiences for children and young people.

The board of trustees is: Jackie Lloyd (Chair), Rachel Farrant, Peter Jackson, Jane Wrightson, Peter Johnson, and Councillor Diane Calvert

The Chief Executive is Sarah Rusholme.

For full details on the trust's performance please refer to its annual report and the Council KPIs in Chapter 9 of this section.

Wellington Regional Economic Development Agency Ltd

The Wellington Regional Development Agency Ltd (trading as WellingtonNZ) supports economic performance across the region to enhance prosperity, vibrancy and liveability for the people who live and work in the region.

WellingtonNZ markets Wellington as a destination for visitors, migrants and investors; it helps businesses grow and innovate; it advocates for Wellington's economy and attracts and promotes major events and runs our civic venues.

The WellingtonNZ teams work across regional development, destination and attraction; events and experience; and marketing and communications. Its programmes, projects and initiatives are designed to act as catalysts, helping Wellington to unlock more of its economic potential.

WellingtonNZ's purpose is to make the Wellington region "Wildly Famous as the best place in New Zealand to live, work, study, visit and play". Its main activities include:

- marketing Wellington as a destination for visitors, businesses, students and investors
- helping businesses grow and innovate and advocating for Wellington's economy
- start-up incubation, acceleration and innovation services via CreativeHQ
- tourism development and destination management
- attracting and promoting major events, conferences and performances to Wellington
- film attraction, permitting and facilitation
- managing civic venues in Wellington

The board of directors is: Tracey Bridges (Chair), Matt Clarke, Thomas Pippas, Wayne Mulligan, Jo Healey, Kylie Archer, and Steve Maharey

The Chief Executive is John Allen.

Underpinning WellingtonNZ is the Wellington Regional Strategy (WRS) and the Wellington Regional Strategy Committee which comprises of 10 members appointed by the Greater Wellington Regional Council.

These members are, one regional councillor, four members nominated by Wellington City Council, one member nominated by each of Kāpiti Coast District Council, Hutt City Council, Porirua City Council and Upper Hutt City Council, and one member nominated by the three Wairarapa district councils.

The WRS Committee implements and develops the Wellington Regional Strategy, including overseeing WellingtonNZ.

For full details on the company's performance please refer to its annual report and the Council KPIs in Chapter 9 of this section.

Wellington Regional Stadium Trust

The Trust owns, operates and maintains the stadium as a high-quality multi-purpose sporting venue. The stadium also hosts a range of musical and cultural sponsored events, it hosts a variety of trade shows plus community events. Highlights of some of the sporting and other events that were held at the Stadium during the year are listed in the front section of this report and in the Economic Development section.

The Stadium was opened in 2000 and has hosted more than 50 event days each year plus community events. The Stadium is home to the Hurricanes and the Wellington Lions rugby teams, the Wellington Phoenix football team, and regularly hosts the New Zealand national men's and women's teams in rugby, football and cricket.

The Trust is part way through a programme of upgrades to ensure the venue is able to meet the needs of its diverse programme of events and the growing expectations of sports fans.

The board of trustees are jointly appointed by the Council and Greater Wellington Regional Council.

The board of trustees is: John Shewan (Chair), Tracey Bridges, Steven Fyfe, Rachel Taulelei, Nicola Crauford, Councillor Sean Rush from Wellington City Council and Councillor Glenda Hughes from Greater Wellington Regional Council.

The Chief Executive is Shane Harmon.

The Trust is not a Council Controlled Organisation, however its relationship with Council is conducted in a similar manner so it is reported here in a similar fashion for this reason. For more details on the company's performance please refer to its annual report.

Wellington Water

Wellington Water Limited is a council-controlled organisation owned by the Hutt, Porirua, Upper Hutt and Wellington city councils, South Wairarapa District Council and Greater Wellington Regional Council. The councils are all equal shareholders.

The role of Wellington Water is to manage the drinking water, wastewater and stormwater services of its shareholder council owners. Wellington Water's main activities include:

- managing water treatment and supply
- managing stormwater and wastewater service delivery in the Wellington region
- promoting water conservation and sustainability.

Wellington Water does not own any drinking water, stormwater, wastewater or bulk water assets. Nor does it set policies or control rates or user charges. These functions remain with the local councils and Greater Wellington Regional Council.

The board of directors is: Geoff Dangerfield (Chair), Cynthia Brophy, Kim Skelton, Mike Underhill and Philip Barry.

A representative from each territorial authority sits on the Wellington Water Committee that provides overall leadership and direction for the company.

The Wellington Water Committee is:

- David Bassett (Chair) – for Hutt City Council
- Wayne Guppy (Deputy Chair) – for Upper Hutt City Council
- Alex Beijen – for the South Wairarapa District Council

- Sean Rush – for Wellington City Council
- Anita Baker – for Porirua City Council
- Jenny Brash – for Greater Wellington Regional Council
- Taku Parai is a representative of Te Rūnanga O Toa Rangatira
- Kim Skelton is a representative of Taranaki Whānui ki te Upoko o te Ika.

The Chief Executive is Colin Crampton.

For more details on the company's performance please refer to its annual report and the Council KPIs section in Chapter 9 of this section.

Wellington Zoo Trust

Wellington Zoo was New Zealand's first zoo, opening in 1906.

The Wellington Zoo Trust manages the popular and award-winning 13-hectare zoo, home to native and exotic animals, and is recognised for expertise in animal welfare, conservation, visitor experience and sustainability.

The Zoo delivers learning sessions to thousands of children a year to grow their understanding of animals and the natural world. It also partners with conservation organisations for at-risk species from New Zealand and around the world and to advocate for animals and save wildlife and wild places. Wellington Zoo treats hundreds of native animals a year at The Nest Te Kōhanga the Zoo's animal hospital and centre for wildlife health services and is the world's first carboNZero certified Zoo.

The board of trustees is: Craig Ellison (Chair), Raewyn Bleakley, Michael Potts, Benjamin Bateman, Nina Welanyk Brown, and Councillor Fleur Fitzsimons

The Chief Executive is Karen Fifield MNZM.

For more details on the trust's performance please refer to its annual report and the Council KPIs section in Chapter 9 of this section.

9 Our performance in detail

This chapter explains how we measure our non-financial performance for our portfolio of activities. It provides the detailed results and variance explanations for our Key Performance Indicators, principles used to assess Outcome trends and supplementary tables for further information.

How to read our performance information

Outcome Indicators

Outcome Indicators are shown as trends over time (3-5 years) with an icon that provides an indication of the trend direction.



Where outcomes display a positive trend, these will be shown with an up arrow, a negative trend with a downward arrow and no trend either blank or a dash. “No trend” is used where there are not enough data points for a trend to be derived, or where data points are non-comparable (e.g. where there has been a change in methodology, low sample size, data integrity limitations or impact of an extraordinary event like survey during COVID-19).

Outcome indicators are not specified in our Annual Plan, (they appear in Our 10-year Plan) and as such commentary and trend analysis is not required for the Annual Council performance story. However, we include notes against trends where it is seen to add value.

Key Performance Indicator

KPI reported result icon. The icons provide a visual indication of the performance measure and outcome indicator results. For Key Performance Measures they show whether the reported result is in one of four categories:

- [X] **Not met:** greater than 10 percent below target; or
- [✓] **Within 10 percent:** between zero percent and 10 percent above or below target; or
- [!] **Exceeded:** greater than 10 percent above target; or
- [-] **NA:** used where a baseline target is being established or no result was available

We use a range of +/- 10 percent from target as it allows for fluctuations in performance across the year (e.g. seasonal changes). This is consistent with the reporting of other performance information during the year e.g. in Quarterly Reports.

Variance commentaries are only included for exception results: **Not Met and Exceeded**. Some results are reported in this chapter with no comparison to target with performance icon [-] NA – this is used where no target has been set, data is not available or where a baseline target is being established. These results have not been included in the performance summaries for each activity area.

Residents Monitoring Survey (RMS)

This survey is undertaken annually by Council. The survey is conducted in two parts. This year, the survey was sent out during the COVID-19 restriction to just over 3,000 residents and remained open until minimum quotas for age, gender and ward were met. The final sample size for 2020 was 696 for Part 1 and 627 for Part 2, post-weighting. The standard margin of error at 95 percent confidence level was 4 percent.

Principles for reporting results

The following principles should be noted when considering published results.

1. Previous years' published results are updated with latest information available. This means as data is updated by Statistics New Zealand , or other external data sources, the Annual Report will overtype the previous years' published results with the most accurate results available at the time of publication.
2. As per above any "per capita" results will be updated to reflect revised population estimates.
3. If there has been a change to the methodology of the measure, previously reported results will be updated to reflect that new methodology, where possible.
4. Baselines are established when we are confident that the reported data is stable enough to set a target (ie not influenced by extraordinary events)
5. Trends are only evident over multiple years (up/ down/ up is reported as "no trend" – this is shown as an "-" icon)
6. If data is not available at the time the report is prepared, as at data may be included, or result shown as "NA". Missing data is revisited in the next year's Annual Report
7. Measures and targets for Council Controlled organisations are set in their annual Statement of Intent. Results published are subject to final audit and may change. Previous years' results will be updated in following year annual report.

Detailed Outcome Indicators

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|---------------------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|----------------|--|
| Governance | | | | | | | | |
| Residents' confidence and engagement | | | | | | | | |
| Voter turnout in local elections, referendums and polls | Increasing | 2013: 41.1% | 2016: 45.6% | - | | 2019: 40.1%- | Negative trend | Elections are held every three years. These results are a reflection of challenges to engage with and lift voting rates amongst eligible voters in central and local body elections. |
| Residents (%) who believe they have the opportunity to participate in city decision-making | Increasing | 46% | 43% | 46% | 46.8% | 47.4% | No trend | |
| Māori and mana whenua engagement and confidence | | | | | | | | |
| Mana whenua partners agree that the use and protection of the city's resources for the future is appropriate (our kaitiaki role) | Increasing | 1 agreed 1 partner was not sure | Both partners were not sure | Both partners were not sure | Both partners partially agree | Result not clear | No trend | As per previous years we conducted an annual interview with mana whenua partners; this approach needs improvement to provide meaningful insights on the desired outcome as agreement was not clear.. |
| Māori residents (%) who feel that Māori culture is appropriately visible in the city | Increasing | | | new | 56% | 45% | No trend | |
| Māori residents (%) who feel that te reo Māori is appropriately visible in the city | Increasing | | | new | 43% | NA | No trend | We reviewed methodology and concluded that language is a dimension of culture, so measure has been removed. |
| Māori residents (%) who feel that Māori culture is appropriately recognised in the city | Increasing | | | new | 40% | 41% | No trend | |
| Māori residents (%) who feel that te reo Māori is appropriately recognised in the city | Increasing | | | new | 54% | NA | No trend | We reviewed methodology and concluded that language is a dimension of culture, so measure has been removed. |
| Māori residents (%) who believe they have the opportunity to participate in city decision-making | Increasing | | | new | 50% | 33% | No trend | |
| Diversity | | | | | | | | |
| Diversity of population | Increasing | Census data 2006: Wellington | | Census data 2013: Wellington | | Census data 2018: Wellington | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|---|-----------|--|-----------|--|----------------|---|
| | | City: European (67.6%); New Zealander (10.2%), Maori (7.4%); Pacific peoples (5%); Asian (12.7%); Middle Eastern/Latin American/African (2%); Other (0.0%). | | City: European (72.8%); Maori (7.6%); Pacific peoples (4.7%); Asian (14.9%); Middle Eastern/Latin American/African (2.4%); New Zealander (1.7%); Other (0.1%). | | City: European (74.1%); Maori (8.6%); Pacific peoples (5.1%); Asian (18.3%); Middle Eastern/Latin American/African (3%); New Zealander (1.2%); Other (0.3%). | | |
| Diversity - residents valuing diversity | Increasing | 78% | 80% | 81% | 82.6% | 83.8% | Positive trend | Residents who believe that Wellington becoming home for an increasing number of people with different lifestyles and cultures, and from different countries, make it a better place to live. |
| Environment & infrastructure | | | | | | | | |
| Access to green open spaces | | | | | | | | |
| Residents' self-reported use of the city's open spaces – local parks and reserves, botanic gardens, beaches and coastal areas, waterfront and walkways - at least once a month. | Increasing | Parks 56% | Parks 55% | Parks 58% | Parks 63% | Parks 75% | Positive trend | See supplementary table on page x . On average, over 90% of residents state they have used Wellington's open spaces in the last year. The most popular of these is our parks, that 75% of residents used at least once a month. |
| Open space land owned or maintained by the Council – total hectares | Increasing | 3,833 | 4,040 | 4,073 | 4,221 | 4,251 | Positive trend | |
| Open space land owned or maintained by the Council – square metres per capita | Maintain | 188.1 | 194.3 | 191.5 | 201.96 | 202.04 | Positive trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|--|---|--|--|--|----------------|--|
| Environmental health | | | | | | | | |
| City Biodiversity Index indicators | Improving | | | | | Establishing baseline | No trend | WCC has committed to monitor its birds and fresh water fish as part of this framework. We are making progress in developing our city Biodiversity Index and will establish baseline as part of Long Term Plan process. |
| Native bird counts | Increasing | 13 species | 14 bird species | 13 bird species | 14 bird species | 14 bird species | No trend | |
| Freshwater biological health (macro invertebrates) – Makara, Karori, Kaiwharawhara, and Porirua streams, ideal >100 | Improving | NA only 2 out of 5 stream sampled | Average of 4 streams 97.5 MCI | Average of 5 streams 95.6 MCI | Average of 5 streams 93 MCI | Average of 5 streams 93.9 MCI | Negative trend | Only two of the five streams monitored in the Wellington area were rated at 100 or greater for ideal macro-invertebrate levels. |
| Freshwater quality – Makara, Karori, Kaiwharawhara, Owhiro and Porirua streams | Improving | Fair | Fair | Fair | Data no longer available | Data no longer available | No trend | The water quality index is no longer reported by GWRC. They report on individual variable results against their plan objectives, Australian NZ water quality guidelines and the NPS-FM. |
| Waterway health – proportion of waterway monitoring reporting “good” or better (sampled in summer) | Improving | 2015/16- All four steams monitored recorded rating of fair.. | 2016/17- All three steams monitored recorded rating of fair | 2017/18 -All four steams monitored rating of fair. | Data no longer available | Data no longer available | No trend | As above |
| % of city declared predator/pest-free (low density), by species | Increasing | | | new | Establishing baseline | 3.5% | No trend | The Miramar Predator Free operation is about 1000 ha of the 29000-ha city area: 3.5%.We do not currently determine breakdown by species. |
| Renewable energy generation in the city | Increasing | | | new | Fuel Capacity (MW) Wind 60.928 Hydro 0.48 Solar 4.814 | Fuel Capacity (MW) Wind 60.93 Hydro 0.48 Tidal 0.002 Solar 5.518 Bio-mass 5 | Positive trend | Figures show an encouraging increase in solar energy capacity with 1392 connections (ICPs) in the residential market segment, up from 1216 last year. |
| Resident engagement in environmental protection and restoration | | | | | | | | |
| Hours worked by recognised environmental volunteer groups and botanic gardens volunteers | Increasing | 45,009 | 53,839 | 59,531 | 70,230 | 57,581 | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|------------------------|--|------------------------|------------------------|--|----------------|--|
| Residents engaged in trapping or other predator control | Increasing | | new | 19% From PFS | 23% from PFS | 27% from RMS survey | No trend | In 2020 the source changed from previous year was Predatory Free Survey (PFS) |
| Water consumption (commercial and residential combined) billion litres * | Decreasing | 24.5b | 25.1b | 23.1b | Est 20.7b- 24.7b | 29.5b litres | Negative trend | The result is based on the calculation 29,484,944m ³ of water (1000 litres) used by 226,200 people. Wellington Water Ltd completed a study as part of their sustainable water supply work looking at options to improve the assessment of domestic consumption, and therefore improve the quantification and management of leakage. |
| Energy use per capita MWh per annum | Decreasing | 6.8 | 6.7 | 6.47 | 6.31 | 5.70 MWh | Positive trend | Total energy consumption dropped 5% across the city with 63,661 less MWh used. |
| Total city greenhouse emissions per capita (tonnes) | Decreasing | | 5.7 tonnes Source: Christchurch Community Carbon Footprint 2016/2017 | | | 5.045 tonnes Source: WCC greenhouse gas inventory summary report | No trend | According to the WCC source, Wellington City's emissions fell by 7%, between 2001 and 2019. For further information refer to https://www.zerocarboncapital.nz/assets/Uploads/Wellington-City-Greenhouse-Gas-Inventory-Summary-Report-Wellington2019-WCC-Final.pdf |
| Residents who state they have taken action (on an ongoing basis) in the last year to reduce their greenhouse gas emissions | Increasing | | | new | 95% | 92% | No trend | We ask residents what steps (if any) they have undertaken to reduce emissions on an ongoing basis to reduce emissions in the last 12 months. Respondents can select multiple actions, so we report the result as those that have done "something" by counting those that did not say "nothing". See supplementary table for breakdown of types of actions taken on page x . |
| Total kerbside recycling collected per (kilograms per person) | Increasing | 54.4kg Total 11,094 | 53.8kg Total 11,183 | 51.6kg Total 10,985 | 55.4kg Total 11,571 | 49.99kg Total 10,519 | No trend | |
| Kilograms of general waste to landfill per person | Decreasing | 424 | 466 | 500 | 452 | 461 kg per person | No trend | |

Economic development

Visitor and talent attraction

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|-----------|-----------|-----------|-----------|---|----------------|---|
| Number of domestic visitors (guest nights) | Increasing | 1,542,892 | 1,465,917 | 1,508,912 | 1,624,042 | NA | No trend | |
| Number of international visitors (guest nights) | Increasing | 743,203 | 810,846 | 809,530 | 751,750 | NA | No trend | |
| Average length of stay - international and domestic guest nights | Increasing | 2.1 | 2.13 | 2.12 | 2.09 | NA | No trend | |
| Domestic airline passengers entering Wellington International Airport | Increasing | 4,957,898 | 5,121,757 | 5,310,967 | 5,506,409 | 4,064,061 | No trend | Trend was increasing until COVID-19 travel restrictions impacted results for 2019/20. |
| International airline passengers entering Wellington International Airport | Increasing | 890,897 | 901,373 | 902,622 | 935,526 | 695,381 | No trend | Trend was increasing until COVID-19 travel restrictions impacted results for 2019/20. |
| Secondary (international) students enrolled | Increasing | 1,157 | 1,287 | 1,314 | 1,385 | NA | No trend | |
| Tertiary students enrolled total | Increasing | | 47,660 | 44,785 | 43,945 | NA | No trend | |
| Tertiary (international) students enrolled | Increasing | | 5,035 | 5,235 | 5,170 | NA | No trend | |
| Tertiary (domestic) students enrolled | Increasing | | 42,630 | 39,545 | 38,775 | NA | No trend | |
| International air destinations | Increasing | | | new | 6 | 6 | No trend | |
| Business support, attraction and retention | | | | | | | | |
| Number of companies that are in New Zealand's top 200 companies based in Wellington Source: Deloitte's top 200 | Increasing | | 21 | 22 | 22 | 19 | Negative trend | 19 offices based in Wellington city Lost: Rangatira and Healthcare NZ (not in top 200), Pacific Aluminum (moved to Invercargill) No gains that are visible. |
| Business enterprises – (net growth in business) | Increasing | 1.2% | 2.6% | 1.4% | 1.8% | NA | No trend | |
| City vibrancy and economic performance | | | | | | | | |
| Pedestrian counts – average of various Golden Mile sites | Increasing | | 2,153 | 2,039 | 2,201 | Inbound average 4170, Outbound average 1606 | No trend | Previously reported as the average per hour across both inbound and outbound pedestrian counts across various sites on Wellington's 'Golden mile'. Survey was conducted in early March however result may still be impacted by COVID-19 concerns. |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|--|------------------|--|---|---|----------------|--|
| Commercial building vacancy rates (80% code +) Source: Colliers International | Decreasing | | | new | Overall vacancy rates 6.2%, total supply is at 1.39 million sqm | Overall vacancy rates 6.5%, total supply is at 1.385 million sqm | No trend | |
| Economic performance | | | | | | | | |
| Labour force participation – this indicator measures the number of the working-age population that is in the labour force. The labour force includes all people who are either employed, or unemployed and looking for work. | Increasing | 2006: total labour force 147,696 of which 102,633 employed, 5,214 unemployed | | 2013: total labour force 157,992 of which 105,243 employed, 7,368 unemployed | | 2018: total labour force 169,875, of which 121,191 employed, 7,719 unemployed | Positive trend | 121,191 people living in Wellington City in 2018 were employed, of which 79.6% worked full-time and 20.4% part-time. |
| Labour force participation – proportion | Increasing | | | 73.02% | 71.28% | 75.9% | No trend | |
| Labour force participation –% employed | Increasing | | | 69.5% | 66.6% | 71.3% | No trend | |
| Labour force participation - change of those in employment | Increasing | | | | 2,610 | 15,948 | No trend | |
| Labour force participation - % change employed (fulltime or part time) | Increasing | | | | -2.9% | 4.7% | No trend | |
| Economic diversity | Increasing | Wgtn 63.6; NZ 52.2 | Wgtn 64: NZ 50.6 | Wgtn 65.2; NZ 48.9 | Wgtn 66.3: NZ 46.9 | Wgtn 66.9: NZ 47.2 | Negative trend | The more concentrated a region or district's economic activity is within a few industries, the more vulnerable it is to adverse effects, such as those arising from climatic conditions or commodity price fluctuations. The Herfindahl–Hirschman Index (HHI) measures the level of diversification of the Wellington City economy. An index of 0 represents a diversified economy with economic activity evenly spread across all industries. The higher the index, the more concentrated economic activity is on a few industries. |
| Proportion of jobs in smart, knowledge-intensive industries - WC | Increasing | 55.8% | 55.7% | 55.7% | 55.5% | NA | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|--|--|--|--|---------------------------------------|----------------|---|
| Number of jobs in smart, knowledge-intensive industries - WC | Increasing | 89,225 | 91,241 | 92,795 | 94,021 | NA | Positive trend | |
| Number of jobs in smart, knowledge-intensive industries- NZ | Increasing | 747,419 | 767,095 | 787,783 | 806,311 | NA | Positive trend | |
| Proportion of jobs in smart, knowledge-intensive industries - NZ | Increasing | 31.7% | 31.6% | 31.6% | 31.7% | NA | No trend | |
| Unemployment rate – Wellington | Decreasing | 4.9% | 2016 - Wellington City 5.3% | 2017 - Wellington City 4.9% | 2018 - Wellington City 4.3% | 2019 - Wellington City 4.2% | Positive trend | |
| Unemployment rate – New Zealand | Decreasing | 5.4% | 2016 NZ 5.3% | 2017 NZ 5.0% | 2018 NZ 4.5% | 2019 NZ 4.6% | Positive trend | |
| Access to fibre broadband | Increasing | | As at June 2017, 119,464 users can connect | As at June 2018, 147,144 users can connect | As at March 2019, 158,636 users can connect | NA . | No trend | Broadband deployment numbers for Wellington City no longer published by MBIE. |
| Uptake of, fibre broadband | Increasing | | As at June 2017, there was 28% uptake | As at June 2018, there was 34.4% uptake | As at March 2019, there was 40.7% uptake | As at June 2020, there was 52% uptake | Positive trend | Wellington City is ranked third in the region with Masterton at 58% uptake and Porirua city at 53% |
| GDP per capita Wellington City | Increasing | 2016 - \$116,708 per capita | 2017 - \$118,240 per capita | 2018 - \$119,938 per capita | 2019 - \$122,240 per capita | NA - | Positive trend | Wellington City GDP per capita grew 1.9% n 2019 ahead of NZ per capita growth at 1.4% |
| GDP -overall Wellington City | Increasing | 2016 Overall GDP \$20,080m | 2017 Overall GDP \$20,758m | 2018 Overall GDP \$21,391 million | 2019 Overall GDP \$25,719m | 2020 Overall GDP \$25,325 | No trend | Trend was increasing until impacted by COVID-19 restrictions. GDP (provisional) in Wellington City was down 1.9% for the year to June 2020 compared to a year earlier. Growth was higher than in New Zealand (-2.1%). |
| Deprivation index – city residents and New Zealand average (most deprived deciles) Source: Profile.idnz | Decreasing | 2013: Wellington City Index = 4.09 vs NZ = 5.43 Wellington City Score = 953 vs NZ = 995 | | | 2018: Wellington City Index = 4.03 vs NZ = 5.60 Wellington City Score = 954 vs NZ = 1,003 | | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------|----------------|--|
| Income (average annual earnings) – income (\$) per annum | Increasing | 2016 - Wellington City \$72,530 | 2017 - Wellington City \$73,530 | 2018 - Wellington City \$75,706 | 2019 - Wellington City \$78,716 | NA | Positive trend | |
| Income (average annual earnings) – percentage growth | Increasing | 2016 - Wellington City 3.5% change | 2017 - Wellington City 1.4% change | 2018 - Wellington City 3.1% change | 2019 - Wellington City 3.9% change | NA | Positive trend | Wellington growth just ahead of rest of NZ |
| Income (average annual earnings) – percentage growth NZ | Increasing | 2016 NZ Growth 3.1% | 2017 NZ Growth 1.7% | 2018 NZ Growth 3.7% | 2019 NZ Growth 3.8% | NA | Positive trend | |
| Youth NEET (not in education, employment or training) – as a proportion of 15— 24 year-olds-WC | Decreasing | 7.9% | 9.2% | 7.3% | 6.9% | NA | Positive trend | The result for 2019 does show the start of a positive trend however 2020 data is required to support this assessment. |
| Youth NEET (not in education, employment or training) – as a proportion of 15— 24 year-olds-NZ | Decreasing | 11.4% | 11.5% | 12.1% | 11.7% | 12.1% | No trend | |
| Cultural wellbeing | | | | | | | | |
| Cultural reputation, participation and vibrancy | | | | | | | | |
| Residents' frequency of engagement in cultural and arts activities | Increasing | | 88% | 90% | 86% | 84% | No trend | Results are within margin of error for residents' monitoring survey. |
| New Zealanders' perceptions that "Wellington has a culturally rich and diverse arts scene" | Increasing | 81% | 79% | 79% | 80% | 85.4% | Positive trend | The National Reputation Survey was held for two weeks in June 2020 during the pandemic. New Zealand was under COVID-19 National Alert Level One at this time. Given the effects of COVID-19 on domestic tourism, perceptions and experiences of Wellington are likely to have been impacted. However, result is a solid increase on previous years and almost as high at perception from Wellingtonians. |
| Residents' perceptions that "Wellington has a culturally rich and diverse arts scene" | Increasing | 92% | 90% | 93% | 90% | 87.9% | Negative trend | The National Reputation Survey was in field for two weeks in June 2020 during the worldwide coronavirus pandemic (COVID-19). New Zealand was under COVID-19 National Alert Level One at this time. Given the |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|-----------|-------------|-----------|----------------------------|------------------------------------|----------------|--|
| | | | | | | | | effects of COVID-19 on domestic tourism, perceptions and experiences of Wellington are likely to have been impacted. Particular due to cancellation of events like World of Wearable Arts which only happens every two years. Result is now only just ahead of perception of all NZ which increased 5% points. |
| New Zealanders' perceptions that "Wellington is the events capital of New Zealand" | Increasing | 36% | 34% | 39% | 38% | 48.6% | Positive trend | The National Reputation Survey was in field for two weeks in June 2020 during the worldwide coronavirus pandemic (COVID-19). New Zealand was under COVID-19 National Alert Level One at this time. Given the effects of COVID-19 on domestic tourism, perceptions and experiences of Wellington are likely to have been impacted. However, result is a solid 10% points increase on previous years and remains well ahead of perception from Wellingtonians (which suffered a big dip in 18/19). |
| Residents' perceptions that "Wellington is the events capital of New Zealand" | Increasing | 52% | 47% | 42% | 31% | 42% | No trend | Trend results are inconclusive as what appears to be a lift in 2020 could be a stabilisation of decline. |
| Cultural attraction and event investment success | | | | | | | | |
| Te Papa visitors – total visitors | Increasing | 1,784,939 | 1,578,292 | 1,514,896 | 1,548,646 | 1,108,283 | No trend | Trend results inconclusive due to impact of COVID-19 restrictions. |
| Te Papa visitors – overseas visitors | Increasing | 708,371 | 718,081 | 758,695 | 732,738 | 524,274 | No trend | As above |
| Te Papa visitors – New Zealand visitors from outside the region | Increasing | 581,986 | 483,995 | 420,195 | 429,697 | 278,414 | No trend | As above |
| Customer (%) satisfaction with the New Zealand Festival (2020) and economic return | Increasing | 91% | No festival | 88% | No festival held this year | No data to report on 2020 Festival | No trend | |
| Total visits to museums and galleries (including Carter Observatory) | Increasing | 688,169 | 780,414 | 725,214 | 770,320 | 535,421 | No trend | Trend results inconclusive due to impact of COVID-19 restrictions. |
| Community access to venues subsidy: Total numbers of | Increasing | | 19,149 | 5,084 | 13,551 | 12,971 | No trend | As above |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------------|---------|-----------|-----------|---|---|----------------|---|
| performers at supported events | | | | | | | | |
| Community access to venues subsidy: Total numbers of attendees at supported events | Increasing | | 144,053 | 89,118 | 153,543 | 117,287 | No trend | As above |
| Social and recreation | | | | | | | | |
| Access to and participation in recreation and leisure | | | | | | | | |
| % of residents who use Council pools, recreation centres, libraries or other leisure facilities | Increasing | | Pools 35% | Pools 44% | Pools (42%); Rec centres (39%); Libraries (73%); community centre (25%) and Community hall (21%) | Pools (42%); Rec centres (36%); Libraries (73%); community centre (24%) and Community hall (19%) | No trend | . |
| Residents' perceptions that Wellington offers a wide range of recreation activities | Maintain | 82% | 85% | 79% | 81% | 76% | Negative trend | Previous years increases have not been maintained however the survey was conducted during COVID-19 restrictions and this could account for an increase in responses that are now neutral. |
| Residents' frequency of physical activity | Increasing | 74% | 73% | 74% | 70% * | 77% | Positive trend | * This question not asked in 2019 however result published is % of those that said they had participated in organised or informal recreation and sport in the last 12 months. In other years the result is those who state they were active for 2.5 hours per week or more. |
| Residents' perceptions that there are barriers to participating in organisation led recreation activities. | Decreasing barriers | | new | 84% | 81% | 84% | No trend | For a breakdown of all types of barriers see supplementary table on page x . |
| Residents' perceptions that there are barriers to participating in participant led recreation activities. | | | new | 81% | 75% | 77% | No trend | |
| Residents' health and wellbeing outcomes | | | | | | | | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|---------|--|---|--|---------|--------------|---|
| Social housing tenants who report good quality of life | Increasing | | | new | 77% [total of "extremely good" + "very good" + "good"] | 79% | No trend | |
| Activity levels, obesity/health Source: Active NZ Regional tables Wellington 2017/2018 | Increasing | | 2017 - 77% | 2018 – 75% | 2019 data not available | NA. | No trend | Data is reported on a regional basis for adults who state they have done any physical activity that was specifically for the purpose of sport, exercise or recreation. Obesity data for Wellington not available. |
| Youth participation in sport and recreation. 5-17 year olds (surveyed on activity within last 7 days) | Increasing | | 2017 - Wellington region 95.9% participated; 10.23 average hours, sample:646 | 2018 - Wellington region - 95.6% participated; 11.4 average hours, sample:643 | 2019 data has not yet been published. | NA | No trend | |
| Resilient and cohesive communities and neighbourhoods | | | | | | | | |
| Residents' importance of sense of community in local neighbourhood | Increasing | | | new | 75% | 79% | No trend | |
| Social capital – residents' response to "I have strong social or community networks that I can draw on in Wellington" | Increasing | | | new | 64% | 60% | No trend | |
| Residents' engaging in neighbourly actions "given help" | Increasing | 62% | 55% | 58% | 57% | 55% | No trend | |
| Proportion of residents who feel they could rely on their neighbours for support following a natural disaster or other significant event | Increasing | | | new | 69.6% | 64.6% | No trend | |
| Diversity - residents valuing diversity. Measured as "different lifestyles and cultures" makes the city a better/much better place to live. | Increasing | | 80% | 81% | 82.6% | 83.8% | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|-------------------------------|-----------------------------------|-----------------------------------|---|---|---|----------------|---|
| Public health and safety | | | | | | | | |
| Residents' perceptions – city and community safety issues of most concern | Decreasing safety issues | 63% | 59% | new category added and had greatest response 56% say begging of concern; 55% say poor lighting; | 61% say poorly lit or dark public areas a concern | 59% say poorly lit or dark public areas a concern | No trend | See supplementary table on page x. The next largest concerns at 42% were 'threatening people' and 'begging', the latter improving by 13% on last year. The concern that grew the most, from 29% to 40%, was 'car theft and vandalism', a result also supported by crime statistics for Wellington City. |
| Residents with access to emergency items at home | Increasing | | At home (85%) | At home (83%) | 84% | 81% | No trend | |
| Residents with access to emergency items at workplace | Increasing | | new | At work (75%) | 77% | 76% | No trend | |
| Residents with access to emergency items at place of education (if applicable) | Increasing | | new | At place of education (59%) | 45.6% | 43% | No trend | |
| Residents with access to emergency items in motor vehicle | Increasing | | | new | 33.8% | 38% | No trend | |
| Residents with access to emergency items at other daily destination | Increasing | | | new | 10% | 13% | No trend | |
| Urban development | | | | | | | | |
| Housing affordability and supply | | | | | | | | |
| Average annual house price and median house price as at June each year. | Decreasing median house price | \$541,541; median \$600,000 | \$583,454; median \$665,800 | \$700,145; median \$680,500 | \$759,282; median \$715,000 | \$818,857; median \$825,000 | Negative trend | The average current house value in Wellington City was up 7.8% compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 2.8%. The desired trend is that the median house price decreases over time as more affordable houses are available for sale. From the median values as at June each year, these have been increasing at an average rate of 8% per annum. |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|---------|---------|---------|---------|---------|----------------|---|
| Overall housing affordability (based on Housing Affordability Index) Wellington | Increasing | 4.65 | 4.89 | 5.47 | 5.41 | 5.69 | Negative trend | Although housing in Wellington City continues to be more affordable than New Zealand as a whole, the differential has decreased. |
| Overall housing affordability (based on Housing Affordability Index) NZ | Increasing | 5.55 | 6.15 | 6.71 | 6.45 | 6.16 | Positive trend | Housing affordability in Wellington City has deteriorated, whereas housing affordability in New Zealand has improved over the past three years. |
| Number of building consents - new residential | Increasing | 614 | 869 | 1136 | 978 | 1428 | Positive trend | On an annual basis the number of consents in Wellington City increased by 46.0% compared with the same 12-month period a year ago. The number of consents in New Zealand increased by 8.1% over the same period. |
| Value of residential building consents | Increasing | \$233m | \$369m | \$444m | \$419m | \$564m | Positive trend | This is a 34.4% growth from last year for Wellington City. By comparison the value of consents in New Zealand grew only 4.4%. |
| Value of commercial building consents | Increasing | \$359m | \$469m | \$275m | \$367m | \$412m | Positive trend | Non-residential building consents to the value of \$412 million were issued in Wellington City during the year to June 2020. The value of consents increased by 12.1% in the year to June 2020. By comparison the value of consents in New Zealand decreased by -8.8% over the same period. |
| Healthy housing stock – residents who report their home is insulated (adequate ceiling insulation); | Increasing | | 66% | 66% | 71% | 67% | No trend | |
| Healthy housing stock – residents who report their home is insulated (adequate under floor insulation) | Increasing | | 46% | 45% | 54% | 46% | No trend | |
| Healthy housing stock – residents who report their home is warm and dry (rarely or never cold) | Increasing | | 31% | 36% | 47% | 35% | No trend | |
| Healthy housing stock – residents who report their home is warm and dry (rarely or never damp) | Increasing | | 58% | 62% | 70% | 56% | No trend | |
| Growth and density | | | | | | | | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|--|---|-----------------------------------|--|--|----------------|--|
| Proportion of houses within 100 metres of a public transport stop | Increasing | | 45% | 44.8% | 42.3% | 42.3% | No trend | |
| City population | Increasing | 203,860 | 206,800 | 209,000 | 210,400 | NA | Positive trend | Changes in an area's population reflect (for example) natural increase (births minus deaths) and net migration (arrivals minus departures). A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. (Population numbers are based on Infometrics population estimates). |
| City population | Increasing | 1.2% | 1.4% | 1.1% | 0.7% | NA | No trend | |
| Central city population | Increasing | 2016: Wellington CBD: 20,690 | 2017: Wellington CBD: 21,260 | 2018: Wellington CBD 21,720 | 2019: Wellington CBD 22,890 | | Positive trend | Previous population estimates have been updated. |
| Central city population -growth | Increasing | 3.1% | 2.7% | 2.2% | 5.4% | NA | No trend | Trend results are inconclusive as what appears to be a lift in 2020 could be a stabilisation of declining percentage increase. |
| High-quality urban form | | | | | | | | |
| Residents' perceptions of the city centre as an easy place to get to | Increasing | | | new | 74% | 79% | No trend | |
| Residents' perceptions of the city centre as an easy place to use | Increasing | | | new | 81% | 73% | No trend | |
| Residents' perceptions of the city centre as an easy place to enjoy | Increasing | | | new | 82% | 71% | No trend | |
| New Zealanders' perceptions that Wellington is an attractive destination | Increasing | 81% | 78% | 80% | 76% | 78.7% | No trend | |
| Residents' perceptions of urban design/urban form safety issues (ie graffiti, vandalism, poorly-lit public spaces etc.) | Increasing | Concerns increased across three out of four reported areas | Improvements perceived against graffiti and vandalism | Some improvements perceived | Concerns increased across all reported areas | Concerns increased across 7 out of 13 areas reported areas | No trend | See Supplementary table on page x. Concerns around 'vandalism' and 'public areas' increased, however concerns around 'alcohol and drug problems' and 'begging' decreased markedly. |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|---------|----------------------------------|------------------------------------|--|--|----------------|--|
| Residents' perceptions of the attractiveness of the central city | Increasing | | 88% | 86% | 80% | 69% | Negative trend | There has been a 9 percentage point increase in those that disagree the city is 'lively and attractive' and generally responds were less positive which could be as a result of conducting the survey during COVID-19 restrictions, when many people were working from home. |
| Residents' perceptions of the attractiveness of their local suburbs | Increasing | | 50% | 48% | 55% | 62% | Positive trend | This is an encouraging result as there has also been increases across measures of local suburban areas being well utilised, feelings safe and being well design. |
| Residents' perceptions of safety – feelings of safety in the city at night and during the day; in home after dark; in the city centre during the day; walking alone in their neighbourhood at night; in the city centre after dark. | Increasing | | In city centre after dark 81% | In city centre after dark 75.8% | In the city after dark (75.9%) and during the day (97.5%); in home after dark (97.7%); walking alone in their neighbourhood at night (81.5%) | In the city after dark (71.4%) and during the day (97.4%); in home after dark (98.1%); walking alone in their neighbourhood at night (80.9%) | Negative trend | A decrease in feelings of safety in the city after dark are largely due to increase of 4% of those that feel 'somewhat unsafe'. This is consistent with increased concern around poorly managed or dangerous public areas in the city. |
| Heritage protection | | | | | | | | |
| Residents' perceptions that heritage items contribute to the city's unique character | Increasing | | 91% | 92.5% | 92% | 87% | Negative trend | The percentage of residents that disagreed remained the same as last year however the drop was a result of more residents changing from more positive responses to neutral response. |
| Residents' perceptions that heritage items contribute to the communities' unique character | Increasing | | 71% | 75% | 76% | 66% | Negative trend | 12 percent of residents changed from being strongly supportive to being less positive. Some of the comments from residents expressed during the survey were over the cost to improve resilience of heritage buildings and the time it is taking to complete the required remedial works. |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|---------|---------|--|--|---|--------------|---|
| Resilience | | | | | | | | |
| Proportion of residents who feel safe in the event of a moderate earthquake at home | Increasing | | | new | 85.3% | 85% | No trend | |
| Proportion of residents who feel safe in the event of a moderate earthquake at workplace | Increasing | | | new | 69% | 72% | No trend | |
| Proportion of residents who feel safe in the event of a moderate earthquake at place of education | Increasing | | | new | 76% | 66% | No trend | |
| Proportion of residents who feel safe in the event of a moderate earthquake at other daily destination | | | | | New | In motor vehicle 64%; Other daily destination 23% | No trend | |
| Proportion of residents who have checked their dwelling to improve its seismic resilience in the past year | Increasing | | | new | 27% | 13% | No trend | |
| Proportion of residents who have taken action to improve its seismic resilience in the past year | Increasing | | | new | 14% | 7% | No trend | |
| Number of earthquake-prone buildings | decreasing | | | 717 building listed as earthquake prone. | 593 building listed as earthquake prone down from 717 last year. | 563 building listed as earthquake prone. | No trend | As at July 2020 the earthquake-prone building (EPB) register contained 563 buildings of which 132 were identified with heritage status and 135 identified as Priority Buildings. In 2017 the legislation that governs EPB's was amended requiring Councils to re-issue all EPB's with new notices in a national standardised format. During the 2019/2020 year, the Resilience Team targeted efforts to re-issue all notices in the new format, which means the number of EPB notices in the register does not neatly compare to last year. |
| Number of earthquake-prone buildings - Change | Increasing | | | new | Down 124 | Down 30 see comment | No trend | |
| Number of earthquake-prone buildings and lifeline routes | Decreasing | | | new | Of the 593 buildings listed as earthquake prone 54 are identified as priority. | Of the 563 buildings listed as earthquake prone 135 are identified as priority. | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|---------|---------|---------|-------------------------------|-------------------------------|----------------|---|
| Residents who recall receiving Wellington-specific resilience information in the past year (eg earthquake preparedness via digital, media or community channels) | Increasing | | | new | 22% | 37% | No trend | |
| Residents (%) who believe that Wellington City Council is making adequate progress on addressing building resilience-related issues in the city | Increasing | | | new | 42% | 32% | No trend | |
| Seismic resilience index | Increasing | | | | Baseline is being established | Baseline is being established | No trend | Most of the measures selected for this index are sourced from the residents' monitoring survey, conducted during COVID-19 restrictions, therefore results are not stable enough to determine baseline for the index See to supplementary data page x. |
| Transport | | | | | | | | |
| Network efficiency and reliability | | | | | | | | |
| Residents' perceptions that peak traffic volumes are acceptable | Increasing | 43% | 42% | 38% | 35% | 37% | No trend | |
| Residents' perceptions that the transport system allows easy access to the city | Increasing | 63% | 62% | 64% | 37%* | 53% | Positive trend | *The 2018/19 result was impacted by negative perceptions of the restructure of the bus network by GWRC. |
| Residents (%) who agree the transport system allows easy movement around the city – vehicle users (easy to drive) | Decreasing | 45% | 46% | 42% | 39% | 37% | Positive trend | The intention is to make it easier to use public transport and active modes rather than to support travel by private vehicles. This approach appears to be gaining traction in the results. With resident also experiencing increasing dissatisfaction with peak traffic volumes. |
| Residents (%) who agree the transport system allows easy movement around the city – vehicle users (easy to cycle) | Increasing | New | 37% | 31% | 29% | 25% | Negative trend | 13% of our residents surveyed state that bicycling is their main travel method, which gives us a sample size of 260 residents. Over the last four years the numbers that think it is 'very difficult' to cycle around the city |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|--|---------------|---------|---------|---------|---------|---------|----------------|---|
| | | | | | | | | has grown to 20%, with another 37% that believe it is 'quite difficult'. |
| Residents (%) who agree the transport system allows easy movement around the city – pedestrians (easy to walk) | Increasing | 91% | 93% | 93% | 93% | 88% | Negative trend | The result for 2020 includes feedback from residents with many comments centered around footpaths being diverted around seismic repair work across the city and the shared path challenges with bikes and scooters. |
| Residents (%) who agree the transport system allows easy movement around the city – public transport | Increasing | | | New | 44% | 61% | Positive trend | This is the second year this question has been asked and improvement is encouraging. Sample size of those that had used public transport also increased 32% from 442 to 583. |
| Mode of resident travel – daily commute (car) | Decreasing | 32% | 27% | 25% | 30% | 22% | Positive trend | The intention is to discourage travel by private vehicles by encouraging the use public transport and active modes. This approach appears to be gaining traction in the results. |
| Mode of resident travel – daily commute (bus) | Increasing | 30% | 28% | 31% | 28% | 23% | Negative trend | More analysis is required to understand in what ways residents have changed modes of transport. We have increases as there have been increases across, motorbike, train, bike, waking and scooter. |
| Mode of resident travel – daily commute (walk) | Increasing | 23% | 24% | 24% | 24% | 30% | No trend | Based on the sample size of 291 the increase in 2020 is not statistically significant. However, there may have been positivity towards walking during the COVID-19 restrictions. |
| Mode of resident travel – daily commute (bicycle) | Increasing | 8% | 10% | 12% | 10% | 14% | No trend | |
| Active mode promotion and public transport support | | | | | | | | |
| Residents' perceptions that cycling is safe in the city for themselves | Increasing | | | New | 26% | 29% | No trend | |
| Residents' perceptions that cycling is safe in the city for their children (if applicable) | Increasing | | | New | 7% | 9% | No trend | |
| Residents' perceptions of reliability of public transport services | Increasing | | | New | 16% | 34% | No trend | |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|---|---------------|---|---|---|---|---|----------------|---|
| Residents' perceptions of affordability of public transport services | Increasing | 41% | 45% | 45% | 38% | 41% | No trend | |
| Residents' perceptions of quality of public transport services | Increasing | | | New | 22% | 33% | No trend | |
| Proportion of school children walking to school (at least once a week) | Increasing | 65% | 73% | 67% | 49% | 68% | No trend | |
| Proportion of school children cycling to school (at least once a week) | Increasing | | New | 22% | 20% | 20% | No trend | |
| Proportion of school children scoot or skate to school (at least once a week) | Increasing | | | New | 16% | 21% | No trend | |
| Environmental impact and safety | | | | | | | | |
| Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide and particulate matter peaks) | Increasing | | No days in excess of monitoring guidelines | No trend | See supplementary table on page x for summary of levels of air pollution measured at the Wellington central monitoring station by calendar year. Key indicator pollutants measured are nitrogen dioxide, carbon monoxide and particulate matter measured as PM10 and PM2.5. All pollutants met national standards and guidelines. PM10 was higher in 2019 due to dust and smoke from the Australian bush fires late in the year. |
| Personal risk of serious injury or fatality for all road users (number resulting from road crashes) | Decreasing | 97 | 78 | 70 | 87 | NA | No trend | In 2019 this measure changed to report as financial years rather than YTD against calendar year. The result to June 2020 was 43. |
| Change from previous year in the number of road crashes resulting in fatalities and serious injury* | Decreasing | up 15 | down 19 | Down 8 | Up 17 | NA | No trend | |
| Residents' perceptions of transport-related safety issues (i.e. issues of most concern) | Decreasing | Traffic or busy roads (33%); Dangerous driving (30%); Car | Traffic or busy roads (33%); Dangerous driving (33%); Car | Traffic or busy roads (36%); Dangerous driving (33%); Car | Traffic or busy roads (39%); Dangerous driving (40%); Car | Traffic or busy roads (42%); Dangerous driving (41%); Car | Negative trend | See supplementary table on page x . Additional info has been added to previous years for comparison. There was a considerable increase in perceived concern on "car theft and vandalism". This response could be |

| Outcome & heading | Desired trend | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Trend result | Comments |
|-------------------|---------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|--------------|---|
| | | theft or vandalism (32%); | theft or vandalism (29%); | theft or vandalism (27%); | theft or vandalism (29%); | theft or vandalism (40%); | | associated with the timing of the survey during COVID-19 lockdown however this response is supported by data from public police data that recorded a spike in motor vehicle theft and related instances in May. |

The following are sources for the Outcome indicator results

- WCC Residents Monitoring Survey 2020, Nielsons, National reputation survey
- Wellington City Council business units
- Infometrics, Statistics NZ, New Zealand Census, ProfileID,
- Education NZ, Sport New Zealand
- Ministry of Health, Ministry Business, Innovation and Employment,
- New Zealand Transport Authority, Greater Wellington Regional Council
- Council Controlled Organisations

Detailed Key Performance Indicators

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------------------------|----------------------------|------------|-------------|---|
| Pārongo ā-tāone Governance | | | | | | | |
| 1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi Governance, information and engagement | | | | | | | |
| Facilitating democratic decision-making | | | | | | | |
| Meeting and committee agendas (%) made available to the public within statutory timeframes (2 working days prior to meeting) | 100% | 100% | 98% | 100% | -2% | Mostly met | |
| Meeting and committee agendas (%) made available to the public at least 4 days prior to meetings | New | 97% | 92% | 70% | 31% | Exceeded | The rationale of this measure is to give councillors and the public more time to review committee agendas and papers to enhance involvement in decision making. The exceeded result shows the management of the forward programme and the associated report timelines has been successful, with 57 out of 62 meeting agendas were distributed at least 4 days prior to the scheduled meetings for the year. |
| Community engagement | | | | | | | |
| Residents (%) who believe they have adequate opportunities to have their say in Council activities | New | 42% | 41.7% | 45% | -7% | Mostly met | |
| Residents (%) who state they are satisfied with how the Council makes decisions | New | 34% | 29.7% | 45% | -34% | Not met | The result is reflected in the comments made by respondents relating to the perceived cohesiveness of Council as a whole. |
| Providing information and a point of contact | | | | | | | |
| Contact Centre - Contacts responded to within target timeframes (calls answered within 30 seconds) | 78% | 80% | 80.6% | 85% | -5% | Mostly met | |
| Contact Centre - Contacts responded to within target timeframes (emails responded to within 24 hours) | 100% | 99% | 99.6% | 100% | 0% | Met | |
| City Archives – users (%) satisfied with services and facilities | New | 86.6% | Result up to Q2 was 74% | 75% | -1% | Mostly met | Data was not captured after Q2 due to COVID-19 |
| Residents (%) who agree that Council information is easy to access (via website, libraries, social media, | New | Average 46% | Website 68.1% Libraries 63.0% | Baseline being established | NA | NA | This measure was previously reported as the average of "Yes" responses across four communication channels. We now |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|---------------------------------|---|----------------|------------|-------------|--|
| newspapers etc) | | | Social Media 51.7% Newspapers 36.6% | | | | ask the level of agreement "strongly agree" to "strongly disagree" across website, social media, libraries, and newspapers, therefore previous year's result could not be used to establish baseline. We strive to improve and adapt accessibility to meet the changing needs of our residents. |
| Residents (%) who agree that the Council is proactive in informing residents about their city | New | 45% | 43.3% | 70% | -38% | Not met | There was 6% increase in residents that disagree. Respondent comments centered around information about the central library and transport infrastructure. |
| Official information requests (%) handled within Local Government Official Information and Meetings Act legislative timeframe | New | 97.0% | 94% | 90% | 5% | Met | |
| 1.2 Rangapū Māori/Mana Whenua Māori and mana whenua partnerships | | | | | | | |
| Relationship with mana whenua | | | | | | | |
| Mana whenua satisfaction with their relationship with Wellington City Council | Satisfied | Both parties satisfied | Both parties somewhat satisfied | Satisfied | | Mostly met | |
| The extent to which (how satisfied) mana whenua partners believe (are) that the Council is meeting its obligations under Te Tiriti o Waitangi with respect to Partnership, Protection and Participation (narrative-based measure based on interviews) | New | Both parties somewhat satisfied | One partner unsure and one expressed broad range from very positive to concerned. | Satisfied | | Not met | Respondents have expressed ongoing challenges with iwi engagement, the resource consent process and Council being Council proactive and strategic in its engagement with Iwi. The capacity and remuneration of iwi to provide input into the Council's work is mentioned as a barrier to iwi engagement. |
| Engaging Māori residents in decisions | | | | | | | |
| Māori residents (%) who believe that they have adequate opportunities to have their say in decision-making | | 69% | 64.2% | 75% | -14% | Not met | Results include the total of those who selected 'strongly agree', 'agree' and 'neither agree nor disagree' as "adequate opportunities" was believed to include ambivalence. Result is similar to last year and also reflects respondent concerns on opportunities for participation and consultation. |
| Promoting Māori culture | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|---|
| Māori residents (%) who agree that the Council is taking an active role in revitalising te reo Māori | | 68% | 49.4% | 75% | -34% | Not met | The COVID-19 lockdown status at the time of the survey is likely to have impacted the sample size and the results. |
| Māori residents (%) who agree that the Council is taking an active role in revitalising Māori cultural heritage | | 67% | 38.4% | 75% | -49% | Not met | as above |
| Te Taiao me te Hanganga Environment & Infrastructure | | | | | | | |
| 2.1 Parks, beaches and open spaces | | | | | | | |
| Utilisation | | | | | | | |
| Number of visitors to Wellington Botanic Gardens and Otari-Wilton's Bush | 1,324,892 | 1,246,162 | 1,312,556 | 1,280,000 | 3% | Met | |
| Number of formal education attendees at Council programmes (School & Community) | New | 2,102 | 1,145 | 2102 | -46% | Not met | No sessions were undertaken in quarter 4 and so overall numbers are lower due to COVID-19. |
| Attractiveness | | | | | | | |
| Residents (%) satisfied with the quality and maintenance of green open spaces (local parks and reserves, playgrounds, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas and green belts) | 84% | 87% | 82% | 90% | -9% | Mostly met | |
| Protecting and enhancing our biodiversity | | | | | | | |
| Establish 2 million native plants by 2025 | 1,691,656 | 1,788,834 | 1,890,068 | 1,815,000 | 4% | Met | |
| Hectares of high-value biodiversity sites covered by coordinated pest management | New | 296 | 311 | 296 | 5% | Met | |
| Affordability | | | | | | | |
| Cost to the ratepayer per visitor to the Wellington Botanic Gardens and Otari-Wilton's Bush | New | \$4.23 | \$3.98 | \$4.23 | 6% | Met | |
| Community engagement | | | | | | | |
| Proportion of households engaged in Council-coordinated pest trapping | 19% | 31% | 27% | 31% | NA | NA | When the target was set in previous years, the measure included all households that have signed up for the Predatory Free Wellington programme across the city. This year we used our |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------|----------------|------------|-------------|---|
| | | | | | | | annual survey of Wellington residents, therefore the results are not comparable to target. |
| Number of plants supplied for community planting | New | 37,072 | 31,826 | 35,000 | -9% | Mostly met | |
| 2.2 Waste reduction and energy conservation | | | | | | | |
| Recycling | | | | | | | |
| Residents (%) who use recycling services regularly | 97% | 94% | 93% | 90% | 3% | Met | |
| Affordability | | | | | | | |
| Cost per household (per annum) for kerbside recycling | New | \$85.92 | \$82.01 | \$85.92 | 5% | Met | |
| Customer satisfaction | | | | | | | |
| Residents (%) satisfied with kerbside recycling service | 76% | 65% | 74% | 85% | -12% | Not met | Wellington City Council put its recycling collection on hold during the COVID-19 Alert Level 4 lockdown; the health and safety of staff was at the heart of this decision. quote -"I didn't realise how much I appreciated the great job the waste collectors do until we didn't get it collected over COVID-19 lockdown. Thank you for what you do." |
| Users (%) satisfied with waste collection service | 79% | 71% | 80% | 90% | -11% | Not met | Keeping essential services, including rubbish collection, running smoothly during the COVID-19 lockdown was a priority for Council. Although target was not met there has an uplift from previous year. |
| Sustainable landfill operation | | | | | | | |
| Estimated efficiency of gas capture system (% of estimated gas produced that is captured and destroyed) | | 40% | 47% | 40% | 18% | Exceeded | Our gas capture rate is slightly better in 2020, and we hope to improve the gas capture rate over time by keeping our tip face small and through better capping material and pipes. |
| Waste minimisation activities | | | | | | | |
| Volume of waste diverted from landfill (tonnes) | 18,174 | 19,526 | 17,597 | 20,000 | -12% | Not met | Up to the end of Quarter three the waste diverted result was tracking to within 5% of target. The landfill closure during COVID-19 lockdown meant that the Quarter four result dropped to 68% of target which impacted the year end result. |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------------------|----------------------------|------------|-------------|--|
| Number of participants in waste minimisation and education programmes | New | 3,066 | 4,082 | 3,066 | 33% | Exceeded | The Waste Minimisation team delivered around 90 events across the year, reaching an audience of 2,350. |
| Energy conservation | | | | | | | |
| Energy cost (\$) | \$6,548,943 | \$6,328,978 | \$5,797,616 | <\$6,328,978 | 8% | Met | |
| Amount of energy used (kWh) | 54,064,906 | 50,824,029 | 42,095,975 | Reduce by 5% 48,282,828 | 13% | Exceeded | As part of the smarter buildings initiative, technology that controls the atmospheric conditions inside Wellington Museum and the City Gallery has reduced the annual energy consumption of these buildings by 37 percent and 25 percent respectively. |
| Estimated energy savings (kWh) | 4,055,159 | 3,890,568 | 7,950,153 | 5% saving 2,541,201 | 213% | Exceeded | Target was exceeded partly due to COVID-19 lockdown and the reduction in services, the shutdown of MOB and other buildings being constructed and a few energy efficiency programmes. |
| WCC corporate greenhouse gas emissions (tCO ₂ e) | 90,076 | 104,564 | 115,054 | Baseline being established | NA | NA | The increase is due to a different methodology applied to measuring wastewater emissions. We will use the upcoming year to apply that methodology back-cast to all years and create new baseline to achieve 2050 target. |
| 2.3 Waimāori Water supply * Denotes mandatory measure | | | | | | | |
| Clean and safe | | | | | | | |
| Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria) * | Compliant | Compliant | 100% | Compliant | 0% | Met | |
| Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 5 protozoal compliance criteria) * | Compliant | Compliant | 100% | Compliant | 0% | Met | |
| Meeting customer expectations | | | | | | | |
| Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections* | 13.35 | 12.01 | 12.79 per 1000 connections | ≤20 per 1000 connections | 36% | Exceeded | Measure is reported as exceeded. There was only 6% increase in complaints since last year. WWL reported there were 924 complaints for the 72,272 water supply connections. |
| Continuity of supply and resolution of faults | | | | | | | |
| Median response time for attendance for urgent call outs* (minutes) | 46 | 48 | 117.58 minutes | ≤60 minutes | -96% | Not met | The end of year median attendance time is slower than target due to work volume, resource constraints, and resource allocation. |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------|----------------|------------|-------------|--|
| Median response time for resolution for urgent call outs* (hours) | 3.77 | 4.38 | 16.08 hours | ≤4 hours | -302% | Not met | The end of year median resolution time is slower than target due to a backlog of work carried over from the previous service delivery arrangement, an increase in callouts (water leaks), resource constraints, complexity of repair processes due to increasing health and safety requirements, traffic management and service mark-outs. |
| Median response time for attendance for non-urgent call outs* (hours) | 52.8 | 74.28 | 139.79 hours | ≤36 hours | -288% | Not met | The end of year median attendance time is slower than target due to work volume, resource constraints, and resource allocation. |
| Median response time for resolution for non-urgent call outs* (days) | 3.72 | 4.89 | 14.42 days | ≤5 days | -188% | Not met | The end of year median resolution time is slower than target due to a backlog of work carried over from the previous service delivery arrangement, an increase in callouts (water leaks), resource constraints, complexity of repair processes due to increasing health and safety requirements, traffic management and service mark-outs. |
| Water supply interruptions (measured as customer hours) | new | 0.94 | 0.35 hours | <0.94 hours | 63% | Exceeded | Data was not able to be collected in Q1 & Q2. From January 2020 data was collected and reported so therefore the data reflects half yearly results |
| Efficiency and sustainability | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|---------------------------|------------------------|------------|-------------|--|
| Percentage of real water loss from networked reticulation system and description of methodology used* | 17% | 20% | 19% | <17% | -12% | Not met | This end of year result is reported as a mean regional water loss percentage with a 95% confidence interval of between 7% and 32%. It is produced using an updated statistical methodology that aligns with the "Benchloss approach" (described in the Water New Zealand Water Loss Guidelines and meets the requirements of the Non-Financial Performance Measure Rules 2013 specified by the Department of Internal Affairs). The city is not uniformly covered by water meters so there is significant variance in the usage information and confidence intervals for Council specific results. Therefore, Wellington Water are reporting this result as the more accurate regional percentage until more data is available at a Council level. |
| Average drinking water consumption litres per resident per day* | 361 | 360.52 | 364.8 litres | 365 litres | 0% | Met | |
| 2.4 Waipara Wastewater * Denotes mandatory measure | | | | | | | |
| Compliance and sustainability | | | | | | | |
| Dry weather wastewater overflows, expressed per 1000 connections* | 0.17 | 0.83 | 4.95 per 1000 connections | 0 per 1000 connections | -100% | Not met | Not met due to a number of blockages within the network and at pump stations caused by rags, fat, and root infiltration. In previous years the results reported on the number of notified dry weather events at monitored sites. This produced a relatively low number of events; e.g. as at 30 June 2020 the total number of events reported for WCC was 0.37/1000 sewerage connections. Applying the more robust methodology, measuring any event where wastewater enters the environment, the number of events reported for WCC is 4.95 per 1000 connections. |
| Compliance with the resource consents for discharge from the sewerage system, measured by the number of: | 0 | 0 | 0 | 0 | 0% | Met | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------------------|--------------------------|------------|-------------|--|
| Abatement notices | 0 | 0 | 0 | 0 | 0% | Met | |
| Infringement notices | 0 | 0 | 0 | 0 | 0% | Met | |
| Enforcement orders | 0 | 0 | 0 | 0 | 0% | Met | |
| Convictions* | 0 | 0 | 0 | 0 | 0% | Met | |
| Meeting customer expectations | | | | | | | |
| Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections* | 16.5 | 16.23 | 17.19 per 1000 connections | ≤30 per 1000 connections | 43% | Exceeded | Measure is reported as exceeded and total is only 6% decrease from the previous year's result. WWL reported that there were 1242 complaints for the 72,272 wastewater connections. |
| Continuity of service and resolution of faults | | | | | | | |
| Number of wastewater reticulation incidents per km of reticulation pipeline (blockages) | 0.47 | 0.52 | 0.65 per km | ≤0.8 per km | 19% | Exceeded | Measure is reported as exceeded. Planned flushing programme plus the reduced sewer volumes in Wellington due to COVID-19. |
| Median response time for wastewater overflows* (attendance time in hours) | 0.72 | 0.72 | 1.57 hours | ≤1 hour | -57% | Not met | The end of year result attendance time is slower than target due to work volume, resource constraints, and resource allocation. |
| Median response time for wastewater overflows* (resolution time in hours) | 2.9 | 3.12 | 8.88 hours | ≤6 hours | -48% | Not met | The end of year resolution time is slower than target due to work volume, resource constraints, complexity of repair processes due to increasing health and safety requirements, traffic management and service mark-outs. |
| 2.5 Waiāwhā Stormwater * Denotes mandatory measure | | | | | | | |
| Continuity of service and resolution of faults | | | | | | | |
| Number of flooding events* | 2 | 5 | 0 | ≤5 | 100% | Met | No flooding events recorded in reporting period |
| Number of pipeline blockages per km of pipeline | 0.03 | 0.02 | 0.2 per km | ≤0.5 per km | 60% | Exceeded | Measure appears to be exceeded; Wellington Water Ltd calculation is based on 204 blockages across 1074km of pipelines |
| Number of habitable floors per 1000 connected homes per flooding event* | 0.013 | 0.14 | 0 | 0.144 per 1000 | 0% | Met | No flooding events reported. |
| Median response time to attend a flooding event* (minutes) | 45 | 48 | NA | ≤60 minutes | NA | Met | No flooding event to attend |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------|--------------------------|------------|-------------|--|
| Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use | 100% | 99.8% | 86.2% | 90% | -4% | Mostly Met | |
| Monitored sites (%) that have a rolling 12 month median value for E. coli (dry weather samples) that do not exceed 1000 cfu/100ml | 93% | 78% | 72% | 90% | -20% | Not met | There are 12 monitored freshwater sites. Consented streams above rolling median of 1000 cfu/100ml: Sites that did not comply are: Bowen Street; Davis Street; Evans Bay; Island Bay; Taranaki Street; Te Aro at Jervois Quay; Tory Street; Waring Taylor Street; Overseas Terminal, Newlands at Gorge and Tyers at Gorge. In January 2020 the consent requirements in the Global Stormwater Consent reduced the number of monitored sites from 43 to 32. The majority of the remaining 32 sites all had a rolling median above 1000 cfu/100ml E.coli. |
| Compliance with the resource consents for discharge from the stormwater system, measured by the number of: | 0 | 0 | 0 | 0 | 0% | Met | |
| Abatement notices | 0 | 0 | 0 | 0 | 0% | Met | |
| Infringement notices | 0 | 0 | 0 | 0 | 0% | Met | |
| Enforcement orders | 0 | 0 | 0 | 0 | 0% | Met | |
| Convictions* | 0 | 0 | 0 | 0 | 0% | Met | |
| Meeting customer expectations | | | | | | | |
| Number of complaints about stormwater system performance per 1000 connections* | 7.65 | 8.51 | 11.42 | ≤20 per 1000 connections | 43% | Exceeded | Target is reported as exceeded, even though there was a 34% increase in complaints since last year . WWL reported that there were 871 complaints across 76,291 stormwater connections. |
| Residents (%) satisfied with the stormwater system | 62% | 51% | 43% | 75% | -43% | Not met | Satisfaction is down significantly on previous years and reflects residents are expressing concerns with both wastewater and stormwater connections. |
| 2.6 Ngā painga kukume Papa Atawha Conservation attractions | | | | | | | |
| Wellington Zoo | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|---|
| Wellington Zoo - Total number of visitors | 249,701 | 252,973 | 220,607 | 254,000 | -13% | Not met | Visitor numbers were directly impacted by COVID-19 restrictions. Wellington Zoo reopened on Saturday 16 May (at Alert Level 2) to Zoo Crew members and was free to all visitors from 18 May through 30 June. The Zoo hosted 50,891 visitors during its free entry campaign. |
| Wellington Zoo - Education visitors | 10,414 | 12,023 | 8,058 | 10,500 | -23% | Not met | Result is directly impacted by the reduced number of visitors due to COVID-19, meaning cancelation of school programmes. |
| Wellington Zoo - Visitor satisfaction (rating out of 10) | new | 9.1 | 8.9 | 8.5 | 5% | Met | |
| Wellington Zoo - Conservation Programme -Number of vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) in the Zoo's collection | new | not reported | 30 | 20 | 50% | Exceeded | During the year the Zoo's conservation strategy was developed and aligned with the overarching strategy (Tinana and Whānau). It focuses on conservation efforts, resources and investment until 2023. It reinforces <i>Me tiaki, kia ora</i> as the Zoo's kaupapa and brings together conservation and sustainability (UN Sustainable Development Goals) for saving wildlife and wild places. |
| Wellington Zoo - Average WCC subsidy per visitor (\$) | \$12.98 | \$13.12 | \$15.44 | \$13.41 | -15% | Not met | Result is directly impacted by the reduced number of visitors due to COVID-19 |
| Wellington Zoo - WCC full subsidy per visitor (\$) | \$20.71 | \$20.73 | \$25.86 | \$21.34 | -21% | Not met | Result is directly impacted by the reduced number of visitors due to COVID-19 |
| Wellington Zoo - Total ownership cost to Council (\$000) | \$5,171 | \$5,249 | \$5,704 | \$5,420 | -5% | Mostly met | |
| Wellington Zoo - Average income per visitor (\$) | \$16.77 | \$17.53 | \$20.42 | \$19.56 | 4% | Met | |
| Wellington Zoo - Ratio of generated Trust income as % of WCC grant. | New | 134% | 139% | 146% | -5% | Mostly met | |
| Zealandia | | | | | | | |
| Zealandia - Number of Visitors | 132,337 | 138,141 | 143,367 | 118,100 | 21% | Exceeded | On 14 May ZEALANDIA reopened (at Alert Level 2) to members and on Saturday 16th May it opened to the public with a free entry campaign which attracted 35,150 visitors up to 30 June 2020. Council provided financial support to help fund the free entry initiative. |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|---|
| Zealandia - Number of Education visits | 9,316 | 11,727 | 8,051 | 8,800 | -9% | Mostly met | |
| Zealandia - Number of Individual memberships | 10,886 | 10,932 | 14,021 | 11,000 | 27% | Exceeded | A 12% uplift in memberships recorded in Q4 as Kiwi support local attractions Grew as a result of COVID-19 travel controls |
| Zealandia - Customer Satisfaction (%) | New | 97% | 95% | 95% | 0% | Met | |
| Zealandia - Cash subsidy (grant) per visit (\$) | \$ 6.31 | \$ 6.21 | \$ 7.20 | \$ 8.54 | 16% | Exceeded | Grant shared across a larger than budgeted number of visitors, helped by the WCC sponsored free entry campaign in response to the pandemic. |
| Zealandia - Full cost per visitor (\$) | \$13.71 | \$13.44 | \$12.04 | \$14.95 | 19% | Exceeded | Cost shared across a larger than budgeted number of visitors. |
| Zealandia - Average revenue per visitor (\$) | \$31.44 | \$32.85 | \$37.08 | \$26.74 | 39% | Exceeded | Solid increase on previous year, with Q4 uplift possibly linked to appeal for public support to close funding gaps. |
| Zealandia - Non-Council grant revenue equating to >75% of overall income (%) | new | 97% | 86% | >75% | 15% | Exceeded | Result linked to special funding appeal. |
| Zealandia - Non-Council donations & funding (\$) | \$ 461,000 | \$ 697,089 | \$1,049,397 | \$ 275,000 | 282% | Exceeded | In early May Zealandia launched a special appeal to help ZEALANDIA as a result of the income loss caused by COVID-19. |
| Zealandia - Membership subscription revenue (\$) | \$329,264 | \$338,774 | \$382,866 | \$318,300 | 20% | Exceeded | Zealandia have 14,148 members as at 30 June, up 3,216 (29%) on the same time last year with corresponding lift in subscription revenues. |
| Zealandia - Net surplus (loss) before depreciation and tax \$ | New | \$778,119 | \$1,261,470 | \$331,100 | 281% | Exceeded | Higher than budgeted admissions, grants and bequests and tight cost control (particularly in response to COVID-19) has delivered a strong result. |

Whanaketanga ōhanga | Economic development

3.1 City promotions and business support

Business Improvement Districts

| | | | | | | | |
|---|-----|-----------|-----------|-----------|----|-----|--|
| Total voluntary rates collected (from Business Improvement Districts) and distributed | new | \$289,000 | \$335,000 | \$335,000 | 0% | Met | |
| Total voluntary rates distributed | new | \$289,000 | \$335,000 | \$335,000 | 0% | Met | |

WREDA -WellingtonNZ

| | | | | | | | |
|---|--|-----|-------|-----|----|-----|---|
| WREDA - Positively Wellington Tourism partnership funding (%) | | New | 27.4% | 30% | 9% | Met | Target was previously written "maintain Council's funding at less than 50% of total income" however measure is now "funding of WREDA % revenue from commercial/non-council funding (WREDA |
|---|--|-----|-------|-----|----|-----|---|

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------|----------------|------------|-------------|---|
| | | | | | | | & CHQ combined)". |
| WREDA - Value of business events (\$m) | New | \$19.3m | \$13.36m | \$19m | -30% | Not met | Result was within 10% of target as at quarter three. Q4 results impacted by COVID-19 cancellations. |
| WREDA - Total number of events held in Wellington venues | 594 | 419 | 325 | 450 | -28% | Not met | Was over 80% of target as at Q3 before impact of COVID-19 lockdown closed venues. |
| WREDA - Wellington's share of the multi day conferences (%) | 20% | 18% | NA | 19% | NA | NA | |
| WREDA - Net permanent and long-term arrivals | 3,409 | 3,600 | 3,200 | 2,605 | 23% | Exceeded | Actual arrivals relatively steady year on year – target was set too low based on a different dataset. |
| WREDA - Total visitor spend (\$b) | \$2.53 | \$2.702 | \$2.388 | \$2.640 | -9.5% | Mostly met | |
| WREDA - Return on investment via out-of-Wellington spend per \$1 | 21:1 | 22:1 | 21:1 | 20:1 | 5% | Met | |
| WREDA - Total event attendance | 733,962 | 619,232 | 516,945 | 700,000 | -26% | Not met | Several major events had to be cancelled or postponed as a result of the COVID-19 pandemic. . |
| WREDA - Number of actively supported businesses through regional business partner programme | New | 472 | 558 | 445 | 25% | Exceeded | Tracking well up to Q3 then significant increase in response to COVID-19 support. |
| Oranga ahurea Cultural wellbeing | | | | | | | |
| 4.1 Arts and cultural activities | | | | | | | |
| High quality events | | | | | | | |
| Attendees (%) satisfied with Council-delivered arts and cultural festivals | 82% | 81% | 86% | 90% | -4.8% | Mostly met | |
| Estimated attendance at WCC-supported and delivered events. | 733,962 | 619,232 | Est. 516,218 | 619,232 | -17% | Not met | The numbers are lower than previous years due to no Fireworks or Ahi Ka in the 2019/20 year and major events not held 2020 due to COVID-19. |
| Arts and cultural sector support | | | | | | | |
| Users (%) satisfied with Toi Pōneke services and facilities | 89% | 84% | 80% | 90% | -11% | Not met | Results are based on small sample of 206 users which may have impacted the result. |
| Users (%) satisfied with Toi Pōneke staff | 98% | 93.5% | 92% | 90% | 2% | Met | |
| Funding Success | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|---|
| Grant outcomes (%) achieved (through funded outcomes – four out of five - being met) - Arts and Culture Fund | 93% | 92% | 91% | 80% | 14% | Exceeded | 44 of the 48 reports received, shows that outcomes had been achieved as desired level (4 out of 5) or higher |
| Wellington Museums Trust – utilisation | | | | | | | |
| Total visitors Museums Trust: | 725,214 | 770,320 | 535,421 | 665,500 | -20% | Not met | Physical visitation was impacted by COVID-19 including no international visitors, limited domestic tourists and site closures from late March through to late May as well as reduced days and hours over June 2020. |
| City Gallery Wellington | 153,194 | 153,676 | 111,365 | 150,000 | -25.8% | Not met | Although physical visitation was impacted by COVID-19 closure, virtual visitation in the second half of the year achieved 86,579 against target of 75,000. |
| Wellington Museum | 127,413 | 132,953 | 100,165 | 130,000 | -23% | Not met | Although physical visitation was impacted by COVID-19 closure, virtual visitation in the second half of the year achieved 110,444 against target of 96,000. |
| Cable Car Museum | 269,028 | 288,889 | 192,915 | 256,000 | -25% | Not met | Visitor numbers were slightly behind target at Q3 and the Q4 closure meant a 90% drop in visitors. |
| Nairn Street Cottage | 1,724 | 2,104 | 706 | 2,000 | -65% | Not met | Nairn Cottage visitor numbers have been well behind target all year. Prior to COVID-19, marketing material and imagery was being refreshed to attract new audiences. |
| Capital E | 113,414 | 137,015 | 86,821 | 70,500 | 23% | Exceeded | Capital E had already exceeded target 6 months into the financial year. |
| Space Place | 60,441 | 55,683 | 43,449 | 57,000 | -24% | Not met | Visitor numbers were 6% ahead of target as at quarter three. |
| Wellington Museums Trust - Funding support | | | | | | | |
| Wellington Museums Trust - Non-Council Revenue (trading and fundraising) (\$000) | \$ 3,834 | \$ 4,305 | \$3,674 | \$ 4,079 | -9.9% | Mostly met | |
| Percentage of visitors who rate the quality of their experience (good or very good) | 93% | 91% | 89.5% | 90% | -1% | Mostly met | |
| Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation | | | | | | | |
| 5.1 Recreation promotion and support | | | | | | | |
| High quality experience | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|--|
| User satisfaction (%) - pools | 90% | 97% | 88% | 90% | -3% | Mostly met | |
| User satisfaction (%) - recreation centres including ASB Sports Centre | 86% | 93% | 88% | 90% | -2% | Mostly met | |
| User satisfaction (%) - sportsfields (grass) | 73% | 84% | 85% | 85% | 0% | Met | |
| User satisfaction (%) - sportsfields (artificial) | 81% | 91% | 94% | 85% | 11% | Exceeded | Strong performance reflecting ongoing investment in Wellington sportsfield upgrades to international standard. |
| Scheduled sports games and trainings (%) that take place (all sportsfields winter) | 71% | 87% | 91% | 80% | 14% | Exceeded | The dry winter 2019 meant that cancellations were minimised. |
| Scheduled sports games and trainings (%) that take place (all sportsfields summer) | 97% | 98% | 98% | 90% | 9% | Met | |
| Utilisation | | | | | | | |
| Artificial sports-field (%) utilisation - peak winter | 79% | 82% | 84% | 80% | 5% | Met | |
| Artificial sports-field (%) utilisation - peak summer | 39% | 29% | 34% | 40% | -15% | Not met | The sport, recreation and environmental services were heavily impacted by COVID-19 which saw all organised sport, recreation and environmental volunteering activity put on hold during Alert Levels 3 & 4, and the postponement or cancellation of a range of regional, national and international events. |
| Artificial sports-field (%) utilisation - off-peak winter | 16% | 18% | 14% | 25% | -44% | Not met | The dry winter 2019 meant grass fields were used more and the use of artificials during peak times has increased. Both impacted on the use of fields during off-peak times. |
| Artificial sports-field (%) utilisation - off-peak summer | 9% | 9% | 6% | 20% | -70% | Not met | Refer explanation above |
| Swimming pool visits (by facility) | 1,236,169 | 1,256,024 | 905,987 | 1,321,000 | -31% | Not met | During quarter two of 2019/20 a new booking and membership system was implemented which changed the way we track performance resulting in more accurate admission data. Maintenance closures, the construction of Waitohi, a poor summer and the restrictions from COVID-19 in the last quarter have also impacted to all swimming pool results. |
| WRAC | 554,182 | 576,082 | 429,061 | 584,000 | -27% | Not met | |
| Tawa | 86,040 | 70,806 | 64,894 | 86,600 | -25% | Not met | |
| Freyberg | 203,903 | 216,145 | 171,194 | 220,252 | -22% | Not met | |
| Keith Spry | 201,835 | 175,122 | 107,629 | 189,500 | -43% | Not met | |
| Karori | 128,036 | 164,487 | 94,324 | 183,074 | -48% | Not met | |
| Thorndon | 42,526 | 39,237 | 29,481 | 42,074 | -30% | Not met | |
| Khandallah | 19,467 | 14,145 | 9,404 | 15,500 | -39% | Not met | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|---|
| Marinas occupancy (%) | 98% | 98% | 97% | 96% | 1% | Met | |
| Recreation centre visits (including ASB Sports Centre) | 1,206,688 | 1,288,196 | 898,310 | 1,165,000 | -23% | Not met | The sport, recreation and environmental sectors were significantly impacted by COVID-19 which saw all organised sport, recreation and environmental volunteering activity put on hold during Alert Levels 3 & 4, and the postponement or cancellation of a range of regional, national and international events. |
| Karori Rec Centre | 97,857 | 100,414 | 62,095 | 105,000 | -41% | Not met | Lower than normal due to closure in Nov/Dec for refurbishment and COVID-19. |
| Kilbirnie Rec Centre | 78,069 | 84,776 | 53,234 | 80,000 | -33% | Not met | During quarter two of 2019/20 we implemented a new booking and membership system. This meant the way we track performance by capturing usage of our swimming pools and recreation centres has changed from previous years, which is now resulting in more accurate admission data. Visit numbers would also have been impacted by COVID-19. |
| Nairnville Rec Centre | 141,898 | 158,949 | 121,627 | 140,000 | -13.1% | Not met | The Nairnville Centre was exceeded target up to the end of Q3 however impact of COVID-19 saw only 20% of usual volumes for Q4. |
| Tawa Rec Centre | 22,315 | 26,888 | 28,769 | 25,000 | 15% | Exceeded | Tawa Rec centre has been exceeding targets for the first three quarters of the year. |
| ASB Sports Centre | 866,549 | 917,169 | 632,585 | 815,000 | -22% | Not met | Lower utilisation as a result of closing during the COVID-19 pandemic lockdown |
| ASB Sports Centre court space utilisation (%) - peak | NA | 65% | 49.00% | 65% | -25% | Not met | As above |
| ASB Sports Centre court space utilisation (%) - off-peak | NA | 59% | 34% | 50% | -32% | Not met | As above |
| Number of uses of Leisure Card | 150,166 | 156,195 | 94,429 | 148,000 | -36.2% | Not met | Attendance has been significantly impacted March - June by COVID-19. WRAC (Wellington Regional Aquatic Centre-Kilbirnie) had closure of spray pool over Christmas, Keith Spry Pools numbers were impacted during the construction of Waitohi. In addition, a new bookings and membership system was |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------|----------------------------|------------|-------------|--|
| | | | | | | | implemented in October 2019. This collects Leisure Card information in a more detailed and different way, which also contributed to the annual result |
| Berhampore Golf course users | New | 1,773 | 2,859 | 1,773 | 61% | Exceeded | The increase in numbers is due to disc golf now being played at the golf course, it is casual play but there has been a positive uptake which is seen an increase in numbers. |
| Affordability | | | | | | | |
| Residents' perception that pool admission charges are affordable | New | 60% | 54.6% | Baseline being established | 0% | NA | This measure was previously reported as the average of "Yes" responses however in 2020, we asked the level of agreement "strongly agree" to "strongly disagree" therefore previous year's result could not be used to establish baseline. |
| Ratepayer subsidy per swim | New | \$13.60 | \$19.63 | \$13.60 | -44% | Not met | The \$19.63 reflects the lower income, meaning increased net cost base, and the lower usage volume due to COVID-19 closures and restrictions. |
| Ratepayer subsidy per court/hour (ASB Sports Centre) | New | \$6.25 | \$6.40 | \$6.25 | -2% | Mostly met | |
| City recreation promotion | | | | | | | |
| Number of international and national events at Council recreation facilities | New | 19 | 11 | 19 | -42% | Not met | This measure was significantly impacted by all organised sport, recreation and environmental volunteering activity being put on hold during COVID-19 Alert Levels 3 & 4, and the postponement or cancellation of a range of regional, national and international events. |
| Estimated attendees of international and national events at Council recreation facilities | New | 60,654 | 14,772 | 60,654 | -76% | Not met | Less number of events including a couple of them which have large numbers - Weetbix try and NAGS (National Age Group Swimming championships) |
| Basin Reserve Trust | | | | | | | |
| Basin Reserve - Total event days (excluding practice days) | 87 | 97 | 139 | 121 | 15% | Exceeded | Performance target was exceeded for the first nine months of the year, there has been a significant increase in functions due to growing reputation of the Basin function centre. |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------------------|------------|-------------|--|
| Basin Reserve - Attendance at all events | 37,362 | 134,858 | 41,137 | 41,000 | 0% | Met | |
| Basin Reserve - Practice facility usage days | 95 | 122 | 73 | 100 | -27% | Not met | The measure was on track up to Q3 then all activity suspended in Q4. |
| Basin Reserve - Number of function days | 20 | 53 | 72 | 25 | 188% | Exceeded | Performance target was exceeded for the first nine months of the year and was largely on track for Q4 even with COVID-19 restrictions. |
| Basin Reserve - Event income | \$290,250 | \$258,282 | \$190,637 | \$290,200 | -34% | Not met | Was on track up to Q3 then all activity suspended in Q4. |
| BRT - Operational grant per attendance | \$10.68 | \$3.09 | \$15.02 | \$16.50 | 9% | Met | |
| BRT - Council operating grant (\$000) | \$ 649 | \$ 667 | \$680 | \$ 659 | -3% | Mostly met | |
| 5.2 Community Support | | | | | | | |
| Libraries experience | | | | | | | |
| User satisfaction (%) with library services | New | 90% | 89.7% | 90% | 0% | Met | |
| User satisfaction (%) with library facilities | New | 80% | 81.5% | 80% | 2% | Met | |
| User satisfaction (%) with library collection (physical e.g. Books, DVDs, newspapers) | New | 86% | 78.3% | 75% | 4% | Met | |
| User satisfaction (%) with library collection (e-library e.g. eBooks, eAudiobooks, eMagazines) | 86% | 69% | 72.1% | 80% | -9.9% | Mostly met | |
| Libraries utilisation | | | | | | | |
| Library items issued (physical) | 2,815,744 | 2,244,761 | 1,699,152 | Baseline being established | NA | NA | Physical libraries closed due to COVID-19 at Alert Levels 3 & 4; entrance restrictions in place at Alert Level 2; many vulnerable customers took longer to feel comfortable about returning. Due to closure of central library in 2019 there are too many variables so baseline target is still being established. |
| Library items issued (e-library) | New | 475,745 | 639,203 | 340,000 | 88% | Exceeded | There was an upsurge in borrowing from the eLibrary when physical libraries were closed. |
| Estimates of attendees of library programmes | New | 71,717 | 46,146 | 75,000 | -38% | Not met | Prior to COVID-19 the attendance at library programmes was tracking at 19% below target. Events only returned at Alert Level 1 due to social distancing |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|--|
| | | | | | | | requirements. Regular events were sparsely attended in early March also. |
| Library physical visits | 2,440,718 | 2,021,003 | 1,408,860 | 2,400,000 | -41% | Not met | Library closures due to earthquake advice or government COVID-19 decision impacted on physical visits |
| Library website visits | 3,887,484 | 4,840,980 | 3,935,427 | 3,300,000 | 19% | Exceeded | Increased emphasis and opportunity for customers to use digital services since central library closed in 2019. |
| Residents (%) who are active library users | | 52% | 60.5% | 50% | 21% | Exceeded | In 2019 the measure was changed to only ask of those who had used a library (73%), how many said they had used a library at least once in the last month 52%. In 2020 the results are further skewed by the impact of COVID-19 restrictions. |
| Libraries amenity | | | | | | | |
| Customers (%) who think the library helped them to gain new knowledge and skills | New | 72% | 61.1% | 70% | -13% | Not met | Results should not be compared to previous years as the library survey was conducted under extraordinary circumstances, being after the closure of the Central Library and during COVID-19 lockdown restrictions. |
| Customers (%) who think the library helped them to connect with others and ideas | New | 53% | 49.6% | 50% | -1% | Mostly met | |
| Customers (%) who think the library helped them to improve their job and earning potential | New | 26% | 16.6% | 25% | -34% | Not met | Results should not be compared to previous years as the library survey was conducted under extraordinary circumstances, being after the closure of the Central Library and during COVID-19 lockdown restrictions. |
| Customers (%) who think the library contributed to their sense of belonging in the community | new | 67% | 69.5% | 65% | 7% | Met | |
| Libraries affordability | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|--------------------------------------|-----------------|----------------------------|------------|-------------|--|
| Cost to the ratepayer per library transaction | new | \$2.39 | \$3.53 | \$2.39 | -48% | Not met | The delay in the opening of Te Pataka and Ta Awe libraries until Q1 2020/21 due to COVID-19 meant all setup costs were incurred without the subsequent customer transactions. This inflates the reported cost per transaction. (This KPI is a calculation of total cost divided by number of total transactions) |
| Community centres utilisation | | | | | | | |
| Occupancy (%) of Council community centres and halls | 42% | 42% | 34% | 45% | -25% | Not met | Community Centres showed declines in attendance from COVID-19 in February when groups cancelled. Some groups still not returning until September 2020. |
| Community advocacy | | | | | | | |
| Homelessness % of known street homeless people supported by agencies | | Not able to be reported at this time | % not available | Baseline being established | | NA | We are not able to report a % result so baseline is still being established. For performance details see following comment. |
| <p>Monthly reporting stopped during COVID-19 Alert Level 4. More than 120 individuals who were rough sleeping (on the street or in cars) were housed during that time. Ngāti Kahungunu Ki Pōneke (NKKP) obtained additional transitional housing and has housed and continues to support families as part of the Hosing First initiative. DCM (formerly known as Inner City Ministry and then Downtown Community Ministry) supported more than 60 people into emergency accommodation through Level 3 and 4 and worked in partnership with the Wellington City Mission (WCM) to set up two new transitional housing programmes. With Central Government support a transitional 38-unit facility (Te Pāapori) was set up to house street homeless. Developed and managed by the WCM, this is staffed 24/7 and support is provided through the DHB and other support. A similar facility was developed at the site of the former Wellington Night Shelter on Taranaki Street.</p> | | | | | | | |
| Funding success | | | | | | | |
| Grants outcomes (%) achieved (through funded outcomes – four out of five – being met) - Social and Recreation Fund | NA | 89.7% | 90% | 80% | 13% | Exceeded | This performance measure reflects on how successful the projects are, based on reporting against outcomes, which form part of funding agreements. These are moderated by Officers as subject matter experts – rating 18 out of 20 outcomes achieved 80% (4 out of 5) or higher. (20 signed off, 25 total received) |
| Housing quality and usage | | | | | | | |
| Tenant satisfaction (%) with services and facilities (includes neutral) | 94% | 94% | 91.0% | 90% | 1% | Met | |
| Tenant rating (%) of the overall condition of their house/apartment (average, good, and very good) | 93% | 95% | 93.0% | 90% | 3% | Met | |
| Tenant (%) sense of safety in their complex at night (includes neutral) | 75% | 84% | 78.0% | 75% | 4% | Met | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|---|----------------|----------------|----------------|----------------|------------|-------------|---|
| Occupancy rate of available housing facilities | 96% | 96% | 98% | 90% | 9% | Met | |
| All tenants (existing and new) housed within policy | 98% | 99% | 99% | 98% | 1% | Met | |
| Housing upgrade project | | | | | | | |
| Agreed milestones, design standards and budgets are met in accordance with the agreed works programme and Deed of Grant between the Crown and the Council | Achieved | Achieved | Achieved | To achieve | 0% | Met | |
| 5.3 Public health and safety | | | | | | | |
| Compliance | | | | | | | |
| Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses) | New | 50% | 20% | 100% | -80% | Not met | COVID-19 had a significant impact on Q4. No verifications were completed during alert levels 2-4 resulting in a backlog of some 350 verifications. Verifications resumed during June. |
| Efficiency | | | | | | | |
| Alcohol licences - high to very high-risk premises (%) inspected during peak time | 88% | 100% | 71% | 50% | 42% | Exceeded | COVID-19 meant that inspectors were unable to carry out inspections during alert levels 2-4, however inspections were already well ahead of target. |
| Alcohol licences - very high-risk premises (%) inspected twice during the year | New | 100% | 50% | 100% | -50% | Not met | We had two very high-risk premises during 2019/2020. Both were only inspected once during the year because inspections were suspended during quarter 4 due to COVID-19 lockdown. |
| Timeliness | | | | | | | |
| Graffiti removal – response time frames (%) met | 85% | 91% | 84% | 80% | 5% | Met | |
| Dog control - urgent requests (%) responded to within 1 hour | 93% | 95% | 92% | 100% | -8% | Mostly met | |
| Dog control - non-urgent requests (%) responded to within 24 hours | 96% | 97% | 99% | 99% | 0% | Met | |
| Public toilets - urgent requests (%) responded to within 4 hours | 98% | 94% | 93% | 100% | -7% | Mostly met | |
| Public toilets - non-urgent requests (%) responded to within 3 days | 98% | 90% | 94% | 95% | -1% | Mostly met | |
| Hygiene standard | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|---|---|----------------------------|------------|-------------|--|
| Toilets (%) that meet required cleanliness and maintenance performance standards | 96% | 94% | 95% | 95% | 0% | Met | |
| Tāone tupu ora Urban development | | | | | | | |
| 6.1 Urban planning, heritage and public spaces development | | | | | | | |
| High-quality development | | | | | | | |
| Residents (%) who agree that new buildings constructed in the city maintain or enhance the city's attractiveness | New | 61% | 52.5% | 61% | -14% | Not met | The percentage of respondents that disagreed remained the same as last year however the drop was a result of more residents changing from positive responses to neutral response. |
| Residents (%) who agree that regeneration of areas of the city adds to its vibrancy (e.g. laneways) | New | 89% | 86.2% | 89% | -3% | Mostly met | |
| Residents (%) who agree that the public areas of their suburban centre - encourage use | New | 71.40% | 81% | 71% | 14% | Exceeded | There was a notable increase from last year across the suburban public area measures with the largest increase for Onslow-Western ward residents however Southern ward residents were slightly less positive. |
| Residents (%) who agree that the public areas of their suburban centre - feel safe | New | 73.90% | 80.8% | 73% | 11% | Exceeded | Even though there has been an overall increase from last year, three wards saw large increases while residents of two wards (Lambton and Southern) expressed marginally lower feelings of safety. |
| Residents (%) who agree that the public areas of their suburban centre - are well designed | New | 43.20% | 48.7% | 43% | 13% | Exceeded | The main driver for the increase came from more positive responses from Northern ward residents possibly related to the completion of Waitohi, Johnsonville's community hub. |
| Economic impact of urban regeneration projects (specific methodology to be scoped) | New | No urban regeneration projects delivered within reporting period. | Analysis incomplete and not able to be reported at this time. | Baseline being established | | NA | When regeneration projects are proposed, economic factors are assessed for consideration of the business case. Post completion examination of the economic factors is conducted as part of any benefit realisation analysis. Waitohi, Johnsonville's community hub opening in December 2019 however analysis on any economic uplift will not be evident for a number of years because economic activity has been greatly impacted by |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------------------|------------|-------------|---|
| | | | | | | | COVID-19 restrictions. Therefore, baseline is still being established. |
| Protecting heritage | | | | | | | |
| Residents (%) who agree that heritage items are adequately valued and protected in the City | 70% | 63% | 58.2% | 70% | -17% | Not met | A drop in satisfaction was not unexpected. There have been delays in progressing key resilience projects of St James Theatre and the Town Hall. The results indicate that although residents are not feeling more negative, 8% more residents responded neutral than last year. |
| Number of heritage-listed buildings that are earthquake prone | New | 143 | 132 | 10% reduction | -2% | Mostly met | |
| Residents (%) who agree that the character of historic suburbs is adequately retained | New | 63% | 59.3% | 70% | -15% | Not met | Historic suburbs are an important social and cultural part of our city and need respect and protection from poor design outcomes. Urban development needs to strike a balance between existing heritage, low/medium rise dwellings and open (e.g. park/grass) areas. Less residents feel that character is being adequately retained. The survey results show 10% less residents feel they "strongly agree" whereas "agree" and "neutral" both increased by 6%. |
| 6.2 Building and development | | | | | | | |
| Effective planning | | | | | | | |
| Residents' agreement that our building and development control settings strike the right balance between allowing development and preserving the character of the city | New | 48% | 36% | Baseline being established | NA | NA | Baseline is being established as results are not comparable to last year, due to the sample size increase (n=90 in 2019, vs. n=533 in 2020). However, the % of residents that disagree remained flat and the numbers of 12% of "agree" moved to neutral. |
| Timeliness | | | | | | | |
| Building consents (%) issued within 20 workings days | 91% | 89% | 79% | 100% | -21% | Not met | The following factors combined to contribute to a 21% noncompliance with the statutory time frames for process building consent applications within 20 working days. <ul style="list-style-type: none"> • a booming and short-skilled construction sector |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|--|
| | | | | | | | <ul style="list-style-type: none"> • an increase in building consent complexity resulting in more processing by Officers. • the withdrawal of service by engineering firms due to the risk of being drawn into third party claims and their ability to gain insurance or to meet increasing insurance costs for consent work. • the loss of experienced staff, being attracted to central government, consent processing contractors and back to the construction sector offering higher salaries. • during 2019, IT issues impacted on the ability of staff to undertake work. There has been significant improvement in the performance of our IT systems since. |
| Code of compliance certificates (%) issued within 20 working days | 96% | 88% | 94% | 100% | -6% | Mostly met | |
| Land Information Memorandums (LIMs) (%) issued within 10 working days | 100% | 58% | 85% | 100% | -15% | Not met | Strong results in Q1, Q3 and Q4, with Q2 being the only quarter outside the variance limits. In Q2, the LIM teams' performance was greatly impacted by several IT outages during the months of November and December. |
| Resource consents (non-notified) (%) issued within statutory time frames | 99.2% | 95.5% | 92.5% | 100% | -7% | Mostly met | |
| Resource consents (%) that are monitored within 3 months of project commencement | 94.5% | 96.25% | 97.25% | 100% | -3% | Mostly met | |
| Subdivision certificates – Section 223 certificates (%) issued within statutory timeframes | 100% | 98.5% | 96% | 100% | -4% | Mostly met | |
| Noise control (excessive noise) complaints (%) investigated within 1 hour | 95% | 95.98% | 98% | 90% | 9% | Met | |
| Customer focus | | | | | | | |
| Customers (%) who rate building control service as good or very good | 74% | 65.4% | 63.8% | 70% | -9% | Mostly met | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|--|
| Customers (%) who rate resource consent service as good or very good | New | 91% | 93% | 91% | 2% | Met | |
| Compliance | | | | | | | |
| Building Consent Authority (BCA) accreditation retention | NA | Retained | Retained | Retain | 0% | Met | Accreditation occurs every two years. Accreditation was confirmed in the building consent authority accreditation amended assessment report, dated 30 September 2019 which stated IANZ conditions cleared. |
| Waka Transport | | | | | | | |
| 7.1 Transport network * Denotes mandatory measure | | | | | | | |
| Network condition and maintenance | | | | | | | |
| Roads (%) that meet smooth roads standards* | 74% | 73% | 72% | 70% | 2% | Met | |
| Structures (%) that have been condition rated in the past five years - walls | 48% | 69% | 80% | 100% | -20% | Not met | Although behind target this year, performance has significantly improved compared to 2016-2018. We were able to complete approximately twice the number of assessments and continue to prioritise this important work. |
| Structures (%) that have been condition rated in the past five years - bridges and tunnels | New | 100% | 100% | 100% | 0% | Met | |
| Structures (%) in serviceable (average) condition or better - walls | 81% | 90% | 91% | 97% | -6% | Mostly met | |
| Structures (%) in serviceable (average) condition or better - bridges | New | 100% | 100% | 100% | 0% | Met | |
| Structures (%) in serviceable (average) condition or better - tunnels | New | 75% | 100% | 100% | 0% | Met | |
| Residents (%) satisfied with street lighting in the central city | 84% | 78% | 77.5% | 85% | -9% | Mostly met | |
| Residents (%) satisfied with street lighting in suburbs | 62% | 59.6% | 58.7% | 75% | -22% | Not met | This result is consistent with previous years (within margin of error) with residents' comments ranging from too much to too little street lighting. Generally suburban lighting rates around 20 percentage points lower than the lighting |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|-----------------------|------------|-------------|---|
| | | | | | | | in the central city. |
| Requests for service (%) response rate - urgent within 2 hours * | 89% | 95.80% | 95.9% | 98% | -2% | Mostly met | |
| Requests for service (%) response rate - non-urgent within 15 days * | 94% | 96% | 98.6% | 98% | 1% | Met | |
| Footpaths (%) in average condition or better (measured against WCC condition standards, *) | 98% | 99% | 97% | 96% | 1% | Met | |
| Sealed local road network (%) that is resurfaced* | 7% | 7.0% | 5.6% | target range 8.9-9.9% | -100% | Not met | Increases in resurfacing and membrane seal waterproofing treatments have reduced available budgets |
| Residents (%) satisfaction with the condition of local roads in their neighbourhood | 73% | 72% | 69.2% | 75% | -8% | Mostly met | |
| Active modes promotion | | | | | | | |
| Number of pedestrians entering and leaving the CBD (weekdays 7-9am) | 14,924 | 14,569 | 11,550 | 14,569 | -21% | Not met | Very heavy rain 7-9am on one of the survey days, so results are not comparable. |
| Number of cyclists entering and leaving the CBD (weekdays 7-9am) | 2,264 | 2,667 | 2,521 | 2,667 | -5% | Mostly met | |
| Network safety | | | | | | | |
| Residents (%) who are satisfied with walking on the transport network | 93% | 87% | 77.5% | 75% | 3% | Met | |
| Residents (%) who are satisfied with cycling on the transport network | 31% | 33% | 34.1% | 75% | -55% | Not met | A significant number of respondents were disappointed that Council were unable to continue to consider the temporary cycleways as a COVID-19 response once we reached pandemic Alert Level 1. |
| Network efficiency and congestion | | | | | | | |
| Residents (%) who think peak travel times are acceptable | 38% | 35% | 36.8% | 50% | -26% | Not met | Comments reflect delays on the City to airport corridor, Basin Reserve and Mt Victoria tunnel. |
| Peak travel times between CBD and suburbs (Karori) | New | 100% | 98% | 100% <25 minutes | -2% | Mostly met | |
| Peak travel times between CBD and suburbs (Johnsonville) | New | 98% | 98% | 100% <25 minutes | -2% | Mostly met | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------------|----------------------------|------------|-------------|---|
| Peak travel times between CBD and suburbs (Island Bay) | New | 100% | 99% | 100% <25 minutes | -1% | Mostly met | |
| Peak travel times between CBD and suburbs (Miramar) | New | 96.3% | 97% | 100% <25 minutes | -3% | Mostly met | |
| Peak travel times between CBD and suburbs (Karori, Johnsonville, Island Bay and Miramar) | New | 98% | 98% | 100% <25 minutes | -2% | Mostly met | |
| Public Transport enablement | | | | | | | |
| Bus stops (%) that have a shelter (co-delivered with GWRC) | New | 31% | 37% All, 45% inbound | Baseline being established | | NA | Our objective is to increase the number of Inbound bus stops which have a shelter, however with the changes to the bus network we are counting both inbound and all stops so a baseline target is being established. |
| Wellington Cable Car Limited | | | | | | | |
| Cable Car - Total passenger trips | 1,145,278 | 1,170,932 | 862,487 | 1,206,633 | -29% | Not met | The cable car passenger numbers were already 15% behind target at Q3 with reduced volume of cruise ship passengers. The Cable Car was closed during AL4 and AL3, with some maintenance tasks undertaken during AL3. Services were reopened under Alert Level 2 but the hours of operation were reduced, and the service is continuing to operate on slightly reduced service times compared with the pre-COVID-19 timetable, resulting in volumes dropping 90% in Q4. |
| Cable Car - Reliability (%) | 99.8% | 89.5% | 99.9% | 99% | 1% | Met | |
| 7.2 Parking | | | | | | | |
| Equity | | | | | | | |
| Residents (%) who perceive that parking enforcement is fair | 53% | 43% | 38.2% | 50% | -24% | Not met | Parking is a topic of concern for many residents. Views expressed are polarised from strong calls to remove all parking and only have bus lanes, to need to add more parking During 2020 Council has been consulting on the future for parking in the city. |
| Availability | | | | | | | |

| Performance measure | 2017/18 Actual | 2018/19 Actual | 2019/20 Actual | 2019/20 Target | % Variance | Met/Not met | Variance Comments |
|--|----------------|----------------|----------------|----------------|------------|-------------|---|
| City parking occupancy during weekdays (08:00-18:00) | 58% | 57% | 45% | 50-70% | -100% | Not met | Due to COVID-19 and mandatory isolation occupancy is lower due to people weren't coming into the city. This continued through into early June. Occupancy rates were within desired range for year to date as at end of March. |
| City parking occupancy during weekends (08:00-18:00) | 68% | 57% | 42% | 50-70% | -100% | Not met | Due to COVID-19 and mandatory isolation occupancy is lower due to people weren't coming into the city. This continued through into early June. Occupancy rates were within desired range during Q1 and Q2 and dropped off in Q3 and Q4. |
| Residents (%) satisfaction with the availability of on-street car parking (weekdays) | 26% | 26% | 22.4% | 70% | -68% | Not met | Council has been consulting on the future for on-street parking, with residents expressing strong views held for both more, and less, on-street parking. |
| Residents (%) satisfaction with the availability of on-street car parking (weekend) | 35% | 27% | 28.6% | 70% | -59% | Not met | As per comment above, there is a lot of work to be done to address this gap in satisfaction, only slightly more residents are dissatisfied with weekend parking availability at 49%. |

Supplementary Tables

1. Environment & infrastructure outcomes - Breakdown of use of open spaces

| In the last twelve months, how often on average have you used...? | Most days | Once or twice a week | Once every 2-3 weeks | Once a month | Once every 2-3 months | Once every 4-5 months | Once every 6 months or less often | Never in the last 12 months | Reported Measure | |
|--|------------|----------------------|----------------------|--------------|-----------------------|-----------------------|-----------------------------------|-----------------------------|------------------|--|
| Wellington City's coastal areas or beaches | | | | | | | | | | |
| 2015 n=683 | 7% | 15% | 17% | 17% | 17% | 9% | 14% | 4% | 56% | |
| 2016 n=672 | 6% | 15% | 19% | 16% | 17% | 9% | 14% | 5% | 56% | |
| 2017 n=671 | 5% | 16% | 18% | 16% | 19% | 9% | 13% | 5% | 55% | |
| 2018 n=972 | 8% | 14% | 21% | 17% | 17% | 7% | 11% | 5% | 59% | |
| 2019 n=461 | 4% | 11% | 21% | 18% | 20% | 9% | 15% | 3% | 54% | |
| 2020 n=477 | 7% | 17% | 21% | 16% | 14% | 8% | 12% | 5% | 62% | |
| Botanic gardens, including Otari-Wilton's Bush Native Botanic Reserve | | | | | | | | | | |
| 2015 n=683 | 2% | 4% | 7% | 11% | 25% | 12% | 27% | 13% | 24% | |
| 2016 n=671 | 1% | 3% | 7% | 12% | 23% | 16% | 23% | 15% | 23% | |
| 2017 n=673 | 2% | 3% | 8% | 11% | 18% | 18% | 26% | 14% | 24% | |
| 2018 n=968 | 2% | 3% | 8% | 11% | 22% | 17% | 25% | 13% | 23% | |
| 2019 n=462 | 1% | 3% | 7% | 11% | 24% | 16% | 26% | 12% | 22% | |
| 2020 n=498 | 4% | 5% | 8% | 14% | 19% | 16% | 20% | 14% | 30% | |
| Wellington City Council parks | | | | | | | | | | |
| 2015 n=680 | 5% | 16% | 15% | 17% | 19% | 10% | 14% | 4% | 53% | |
| 2016 n=670 | 6% | 16% | 17% | 17% | 17% | 9% | 14% | 5% | 56% | |
| 2017 n=671 | 5% | 15% | 19% | 16% | 16% | 9% | 13% | 6% | 55% | |
| 2018 n=964 | 6% | 16% | 18% | 18% | 17% | 8% | 11% | 5% | 58% | |
| 2019 n=461 | 8% | 19% | 20% | 16% | 16% | 9% | 10% | 2% | 63% | |
| 2020 n= 490 (78%) | 12% | 26% | 21% | 17% | 11% | 5% | 4% | 3% | 75% | |
| Town Belt or Outer Green Belt | | | | | | | | | | |
| 2015 n=662 | 3% | 8% | 10% | 10% | 15% | 13% | 19% | 22% | 31% | |
| 2016 n=655 | 4% | 8% | 9% | 12% | 16% | 11% | 19% | 22% | 33% | |
| 2017 n=657 | 6% | 10% | 9% | 11% | 15% | 13% | 17% | 20% | 36% | |
| 2018 n=935 | 4% | 10% | 12% | 13% | 14% | 9% | 17% | 22% | 38% | |
| 2019 n=459 | 5% | 8% | 15% | 16% | 20% | 11% | 13% | 12% | 45% | |
| 2020 n= 482 (77%) | 7% | 15% | 18% | 15% | 12% | 8% | 12% | 13% | 55% | |

| In the last twelve months, how often on average have you used...? | Most days | Once or twice a week | Once every 2-3 weeks | Once a month | Once every 2-3 months | Once every 4-5 months | Once every 6 months or less often | Never in the last 12 months | Reported Measure |
|---|------------|----------------------|----------------------|--------------|-----------------------|-----------------------|-----------------------------------|-----------------------------|------------------|
| The city's walking tracks | | | | | | | | | |
| 2015 n=677 | 6% | 11% | 11% | 10% | 16% | 11% | 17% | 18% | 38% |
| 2016 n=666 | 4% | 11% | 10% | 13% | 14% | 12% | 16% | 20% | 38% |
| 2017 n=664 | 6% | 11% | 12% | 17% | 11% | 11% | 13% | 19% | 46% |
| 2018 n=965 | 7% | 12% | 13% | 15% | 12% | 9% | 14% | 18% | 47% |
| 2019 n=453 | 4% | 10% | 18% | 14% | 15% | 12% | 14% | 14% | 46% |
| 2020 n= 476 (76%) | 10% | 16% | 16% | 15% | 11% | 8% | 11% | 12% | 57% |
| Wellington's streams | | | | | | | | | |
| 2014 n=456 | 1% | 3% | 5% | 4% | 9% | 8% | 18% | 52% | 13% |
| 2015 n=662 | 1% | 4% | 6% | 6% | 8% | 8% | 19% | 48% | 17% |
| 2016 n=655 | 1% | 2% | 5% | 6% | 11% | 11% | 17% | 47% | 14% |
| 2017 n=656 | 2% | 3% | 5% | 6% | 9% | 10% | 21% | 45% | 16% |
| 2018 n=932 | 2% | 4% | 5% | 6% | 12% | 9% | 18% | 46% | 15% |
| 2019 n=428 | 3% | 2% | 6% | 5% | 12% | 13% | 22% | 37% | 17% |
| 2020 n= 511 (82%) | 2% | 5% | 8% | 6% | 10% | 11% | 15% | 37% | 21% |
| Waterfront | | | | | | | | | |
| 2019 n=461 | 12% | 23% | 21% | 15% | 15% | 5% | 7% | 2% | 71% |
| 2020 n= 482 (77%) | 15% | 21% | 23% | 15% | 11% | 7% | 6% | 2% | 74% |
| Playgrounds | | | | | | | | | |
| 2019 n=457 | 1% | 6% | 7% | 7% | 10% | 6% | 17% | 46% | 21% |
| 2020 n= 489 (78%) | 2% | 8% | 5% | 8% | 7% | 5% | 15% | 47% | 22% |

Source: Wellington City Council Residents' Monitoring Survey 2020 (RMS)

2. Environment & infrastructure outcomes - Resident engagement in environmental protection and restoration –Residents who state they have taken regular action in the last year to reduce their greenhouse gas emissions

| We are concerned about climate change. What steps (if any) have you undertaken on an ongoing basis to reduce your emissions in the last 12 months? Please select all that apply | 2019 n=462 | # | 2020 n=479 | # |
|---|------------|-----|------------|-----|
| Transport emissions (e.g. driving and/or flying less, use or purchased an electric vehicle) | 50% | 232 | 57% | 356 |
| Waste emissions (e.g. reduce, re-use, re-cycle where possible) | 91% | 418 | 84% | 525 |
| Food emissions (e.g. buying locally, eating less meat, growing own food) | 62% | 288 | 66% | 414 |
| Energy emissions (e.g. use renewable energy, installed a smart-meter to monitor electricity) | 27% | 122 | 27% | 168 |

| | | | | |
|--|------------|----|------------|----|
| usage at home) | | | | |
| Anything else (please specify) | 10% | 47 | 9% | 58 |
| None [calculated via SPSS grouping] | 5% | 21 | 8% | 48 |
| Total who have done 'something' (total minus 'none of these') | 95% | | 92% | |

Source: Wellington City Council Residents' Monitoring Survey 2020

3. Social and recreation outcomes - Access to and participation in recreation and leisure - Barriers to participation in Sports and Recreation

What, if anything, makes it difficult for you to take part in these recreational activities?

Organisation-led opportunities: These are formally organised with participation facilitated by a club or group and usually involving membership or subscription fees with participation opportunities provided via regular competition and events. Examples include playing competitive or social sport eg hockey, belonging to a tramping club or participating in a fun run series.

Participant-led opportunities: These are more informal and flexible allowing place and time to be determined by the participant. Maybe a pay for play component with costs to access a place or purchase equipment. Examples include swimming at a Council pool, shooting hoops at a local park, going for a walk along the waterfront.

| What, if anything, makes it difficult for you to take part in these recreational activities? | 2018 Org | 2018 Part | 2019 Org | 2019 Part | 2020 Org | 2020 Part |
|--|----------|-----------|----------|-----------|----------|-----------|
| Lack of time due to commitments, childcare duties, other interests etc. | 39% | 34% | 37% | 32% | 38% | 35% |
| Too busy | 29% | 26% | 30% | 28% | 32% | 32% |
| Nothing | 16% | 19% | 19% | 25% | 16% | 23% |
| Lack of motivation | 20% | 22% | 22% | 23% | 22% | 21% |
| Not interested | 23% | 14% | 37% | 21% | 26% | 15% |
| Lack of parking | 11% | 9% | 12% | 11% | 14% | 15% |
| Don't know where or who to contact | 14% | 9% | 12% | 9% | 21% | 13% |
| Cost | 25% | 16% | 19% | 12% | 22% | 13% |
| Lack of transport | 11% | 9% | 10% | 9% | 11% | 12% |
| Injury of disability | 8% | 8% | 10% | 9% | 7% | 8% |
| No easy access to facilities or parks nearby | 7% | 6% | 5% | 7% | 7% | 7% |
| Don't feel welcome | 7% | 3% | 5% | 4% | 6% | 5% |
| Poor health | 6% | 6% | 8% | 10% | 4% | 4% |
| Safety concerns | 2% | 3% | 3% | 3% | 2% | 4% |
| Other (specify) | 3% | 3% | 4% | 4% | 4% | 3% |

| What, if anything, makes it difficult for you to take part in these recreational activities? | 2018 Org | 2018 Part | 2019 Org | 2019 Part | 2020 Org | 2020 Part |
|--|----------|-----------|----------|-----------|----------|-----------|
| Cultural/language barriers | 2% | 2% | 1% | 2% | 1% | 1% |
| | n=988 | | n=508 | | n=664 | |

Source: Wellington City Council Residents' Monitoring Survey 2020

4. Urban Development outcomes - High-quality urban form residents' perceptions – city and community safety issues of most concern

| Which of the following, if any, are particularly concerning in Wellington at present? | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------|-------|-------|-------|-------|-------|-------|
| Poorly lit or dark public areas such as streets, paths and parks | 71% | 61% | 63% | 59% | 55% | 61% | 59% |
| Vandalism such as broken windows in shops and public buildings | 28% | 26% | 27% | 17% | 17% | 21% | 25% |
| Graffiti | 40% | 34% | 32% | 16% | 16% | 21% | 23% |
| Poorly maintained or dangerous public areas such as streets, paths and parks | 40% | 34% | 37% | 33% | 26% | 31% | 41% |
| Traffic, including busy roads and lack of pedestrian facilities | 31% | 34% | 33% | 33% | 36% | 39% | 42% |
| Dangerous driving including speeding, drunk drivers and so on | 35% | 29% | 30% | 33% | 33% | 40% | 41% |
| Alcohol and drug problems | 55% | 51% | 49% | 46% | 46% | 49% | 40% |
| Car theft or vandalism, and theft from cars | 29% | 36% | 32% | 29% | 27% | 29% | 40% |
| Threatening people and/or people behaving dangerously | 51% | 48% | 51% | 46% | 35% | 39% | 42% |
| Begging | | | | | 56% | 55% | 42% |
| Other | 10% | 11% | 10% | 6% | 8% | 12% | 9% |
| Nothing | 2% | 5% | 5% | 3% | 4% | 3% | 2% |
| Don't know | 2% | 1% | 2% | 1% | 2% | 0% | |
| | n=501 | n=760 | n=994 | n=766 | n=988 | n=508 | n=689 |

Source: Wellington City Council Residents' Monitoring Survey 2020

5. Urban Development outcomes – Resilience - Seismic resilience index

There are 10 indicators selected to give an overall perspective on our progress against resilience improvements. Indicators are used to monitor our city over time and provide information on trends that may influence our performance including those outside our control. In the coming years, we will continue to monitor these resilience improvement indicators. Most of the measures selected for this index are sourced from the resident's monitoring survey, which was conducted during COVID-19 restrictions. Most changes from previous year are within the margin of error, however there are a notable change in the measures of indicators 6, 7 and 8 detailed below.

| | Outcome | Desired trend | 2018/19 | 2019/20 |
|----|---|---------------|---|--|
| 1 | Proportion of residents who feel they could rely on their neighbours for support following a natural disaster or other significant event | Increasing | 69.6% | 64.6% |
| 2 | Social capital – residents’ response to “I have strong social or community networks that I can draw on in Wellington” | Increasing | 63.6% | 60.4% |
| 3 | Residents with access to emergency items at home and workplace/place of education/other daily destination | Increasing | | |
| | At home | | 83.6% | 80.9% |
| | At work | | 77.3% | 76.0% |
| | At place of education | | 45.6% | 43.0% |
| | Motor vehicle | | 33.2% | 38.2% |
| | Other | | 10.1% | 13.2% |
| 4 | Proportion of residents who feel safe in the event of a moderate earthquake at home, at workplace/place of education/other daily destination | Increasing | | |
| | At home | | 85.3% | 85.0% |
| | At work | | 68.5% | 72.0% |
| | At place of education | | 76.3% | 66.0% |
| 5 | Proportion of residents who have checked their dwelling to improve its seismic resilience in the past year | Increasing | 26.7% | 13.3% |
| 6 | Proportion of residents who have taken action to improve their dwelling's seismic resilience in the past year | | 14.4% | 6.5% |
| | Significant drop. Both "checked" and "taken action" dropped with some residents commenting that they checked their home 1-2 years ago but not recently. 34% of our survey participants are identified as renters, with some comments that the responsibility to check for seismic resilience sits with their landlords. | | | |
| 7 | Residents who recall receiving Wellington-specific resilience information in the past year (eg earthquake preparedness via digital, media or community channels) | Increasing | 22.2% | 37.3% |
| | Significant increase. Although this measure has increased, residents still comment that they do not know how to access info on what to do. | | | |
| 8 | Residents (%) who believe that Wellington City Council is making adequate progress on addressing building resilience-related issues in the city | Increasing | 42.1% | 31.8% |
| | Significant drop. Although there are only two data points this is a significant drop since last year, with resident's comments centered around the time it is taking to resolve outstanding resilience concern for Civic Square and the central library. | | | |
| 9 | Number of earthquake-prone buildings - Change | | Down 124 | Down 30 |
| 10 | Number of earthquake-prone buildings and lifeline routes | | Of the 593 buildings listed as earthquake prone, 54 are identified as priority. | Of the 563 buildings listed as earthquake prone, 135 are identified as priority. |

Source: Wellington City Council Residents' Monitoring Survey 2019 & 2020

6. Transport outcome - Environmental impact and safety - Air quality monitoring

The table below summarises levels of air pollution measured at the Wellington central monitoring station by calendar year. Key indicator pollutants measured are: nitrogen dioxide (NO₂), carbon monoxide (CO) and particulate matter measured as PM₁₀ and PM_{2.5}. All pollutants met national standards and guidelines.

| Measure | | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|------|------|------|------|-------------|
| NO ₂ (µg/m ³) NES-AQ limit <200 | Max 1-hr | 66 | 61.5 | 67.9 | 63.8 | 67 |
| | Annual mean | N/A | 14 | 14.1 | 12.6 | 11.7 |
| CO (mg/m ³) NAAQG limit <30 | Max 1-hr | 1 | 1.78 | 1.49 | 1.21 | 1.6 |
| | Annual mean | N/A | 0.22 | 0.19 | 0.15 | 0.17 |
| Particulate matter (PM ₁₀) (µg/m ³) NES-AQ limit <50 | Max 24-hr | | 13 | 17 | 13 | 17 |
| | Annual mean | N/A | 5.5 | 5.4 | 5.5 | 5.9 |
| Particulate matter (PM _{2.5}) (µg/m ³) WHO limit <25 | Max 24-hr | 32 | 26 | 25 | 25 | 39 |
| | Annual mean | N/A | 11.3 | 11.3 | 12.6 | 15.8 |

Source: Greater Wellington Regional Council, Air quality monitoring programme: Annual data report 2019 (2020 report not available at time of publication)

7. Transport outcome - Environmental impact and safety - Residents' perceptions of transport-related safety issues

| Which of the following, if any, are particularly concerning in Wellington at present? | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------|-------|-------|-------|-------|-------|-------|
| Poorly maintained or dangerous public areas such as streets, paths and parks | 40% | 34% | 37% | 33% | 26% | 31% | 41% |
| Traffic, including busy roads and lack of pedestrian facilities | 31% | 34% | 33% | 33% | 36% | 39% | 42% |
| Dangerous driving including speeding, drunk drivers and so on | 35% | 29% | 30% | 33% | 33% | 40% | 41% |
| Car theft or vandalism, and theft from cars | 29% | 36% | 32% | 29% | 27% | 29% | 40% |
| | n=501 | n=760 | n=994 | n=766 | n=988 | n=508 | n=689 |

Source: Wellington City Council Residents' Monitoring Survey 2020

Section 3: Our leadership and our people

In this section

This section describes the Council's democratic and corporate governance arrangements and presents information relating to our elected members, committees, directorates, organisational structure and staff.

Our Council

The essence of the role elected councillors have is to set the direction and priorities for the city and provide oversight of the organisation.

Wellington City Council is made up of 14 Councillors and a Mayor. Along with all other local authorities in New Zealand, the Council is elected every three years. The Mayor is elected “at large”, meaning by all the city's residents. The Councillors are elected by voters from their respective geographical areas (wards). The next election is on 8 October 2022 and will be held under the single transferable vote system (STV).

Setting the direction

Elected councillors have the responsibility to set the direction and priorities for the city, and provide oversight of the organisation. The Council then appoints the chief executive to deliver the services needed to fulfil its direction.

Under the Local Government Act 2002, certain powers are reserved for the elected Council. They include setting bylaws and rates, setting the city's budget through long-term and annual plans, making decisions about borrowing money and buying or selling assets, setting up and giving powers to Council committees, determining how Council meetings will be run, setting a Councillor code of conduct, and adopting annual reports.

Subject to these powers, day-to-day management of Council services and operations is delegated to the chief executive, with councillors monitoring progress.

Community advocates

Councillors are responsible for looking after those from the geographical area (ward) which elected them. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face.

However, when Councillors come together to make decisions in the Council or a Council Committee or Subcommittee, they are required to put aside local interests and exercise their powers in the best interests of the city.

Making the hard decisions

Whatever decisions the Councillors make, some people will like it better than others – that's the nature of democracy. In addition, Council decisions are made in a climate where public organisations are scrutinised more than ever before, and trust in public organisations is generally declining.

Before councillors make any decision, they – with advice from Council staff – examine it from every angle. They will think about the wellbeing and collective needs and aspirations of Wellington’s people, as well as legal requirements and contractual obligations, how it fits with the Council’s strategic direction and policies, and whether it’s a sensible use of ratepayer funding.

Councillors will often ask for information to be presented to them such as: How much will it cost? How can it be funded? Will someone else do the work if we don’t? Will the benefits be significantly less or the costs significantly greater if we wait? And are there any risks involved?

We also engage with our community on most decisions we are making, ensuring people can have their say and contribute and influence how their city is shaped.

Altogether, we strive to ensure our decision-making processes are fair and robust.

Standing committees and subcommittees

The Council conducts its business at open and publicly advertised meetings.

The Mayor (as required by section 41A of the Local Government Act 2002) put in place the current structure of committees and subcommittees following the 2019 election. The Council retains the power to revisit the structure.

The Council’s committee structure ensures that all decisions take account of the wider issues facing the city. All services are linked, so it makes good sense to consider them all together. For example, urban development decisions affect the transport network and the environment. Our decision-making structure – with the Strategy and Policy Committee playing a lead role – ensures that all Councillors are aware of the full range of issues facing the city. The beginning of each meeting is set aside for members of the public to have their say.

The structure adopted for the 2019-2022 triennium is based on two committees of the whole – Strategy and Policy and Annual Plan/Long-term Plan. The membership of these committees comprises of the Mayor and all Councillors.

There are also several other committees and subcommittees as follows: CEO Performance Review Committee; Regulatory Processes Committee; Council-controlled Organisations Subcommittee; Finance, Audit and Risk Subcommittee; Grants Subcommittee; and the Safer Speeds Hearings Subcommittee. Council also has representatives on six joint committees with other Councils in the region.

The Mayor is an ex-officio member of all Wellington City Council committees.

Mayor and Councillors

All Councillors are members of the Strategy and Policy Committee and the Annual Plan/Long-term Plan Committee. Each Councillor has one or more portfolios and is a member of committees or subcommittees related to those portfolio areas. Councillors can attend and speak at any Council committee, but can only vote if they are a member of the committee.

Councillors also have responsibilities in the wider Wellington region. They sit as Council-appointed representatives on various trusts and organisations that Council has an interest in, on Council-controlled organisation boards and on committees that have members from the region's other territorial local authorities.

See Note 37 in Section 5: Financial statements for details of Councillor and Community Board member remuneration on pg X. See wellington.govt.nz/your-council/about-the-council/mayor-and-councillors for information on the committees and external appointments of each elected member.



Mayor Andy Foster
Citywide

Elected: 1992 to Wharangi Onslow-Western Ward and Mayor in October 2019.

Portfolio Leader: Spatial Plan and District Plan, Let's Get Wellington Moving, New funding tools (including central government funding)

Contact: 04 499 4444,
mayor@wcc.govt.nz



Deputy Mayor Sarah Free
Motukairangi Eastern Ward

Elected: 2013 and appointed Deputy Mayor in October 2019.

Portfolio Leader: Governance, Associate Transport (Walking, Cycling, and Public Transport Infrastructure).

Contact: 022 121 6412,
sarah.free@wcc.govt.nz



Councillor Diane Calvert
Wharangi Onslow-Western Ward

Elected: 2016

Portfolio Leader: Economic Development

Contact: 029 971 8944
diane.calvert@wcc.govt.nz



Councillor Jenny Condie
Takapū Northern Ward

Elected: 2019

Portfolio Leader: Associate Transport (Parking, Roding, Safety, Traffic Resolutions)

Contact: 021 972 763
jenny.condie@wcc.govt.nz



Councillor Jill Day
Takapū Northern Ward

Elected: 2016

Portfolio Leader: Māori Partnerships, Associate Community Well-being (Children, Play spaces and programmes)

Contact: 021 276 2905
jill.day@wcc.govt.nz



Councillor Fleur Fitzsimons
Paekawakawa Southern Ward

Elected: 2017 by-election

Portfolio Leader: Community Well-being (social housing and housing partnerships, libraries, public health)

Contact: 027 803 0515
fleur.fitzsimons@wcc.govt.nz



Councillor Laurie Foon
Paekawakawa Southern Ward

Elected: 2019.

Portfolio Leader: Waste Minimisation, Associate Economic Development (sustainable small business)

Contact: 027 963 270
laurie.foon@wcc.govt.nz



Councillor Rebecca Matthews
Wharangi Onslow-Western Ward

Elected: 2019.

Portfolio Leader: Community Engagement (consultation, information, and engagement), Associate Community Well-being (living wage, disability, community services and centres)

Contact: 021 972 365
rebecca.matthews@wcc.govt.nz



Councillor Teri O'Neill
Motukairangi Eastern Ward

Elected: 2019.

Portfolio Leader: Natural Environment, Associate Community Well-being (Homelessness)

Contact: 021 967 030
teri.oneill@wcc.govt.nz



Councillor Iona Pannett
Pukehinau Lambton Ward

Elected: 2007

Portfolio Leader: Associate Urban Development (District Plan shared with Mayor, Te Ngākau Civic Square, CBD apartments resilience, insurance, weathertight buildings, building resilient heritage, consenting – one stop shop, place-making and community-led planning shared with Councillor Rush)

Contact 021 227 8509
iona.pannett@wcc.govt.nz



Councillor Tamatha Paul
Pukehinau Lambton Ward

Elected: 2019

Portfolio Leader: Climate Change, Associate Community Well-being (City Safety and Youth)

Contact: 027 506 2783
tamatha.paul@wcc.govt.nz



Councillor Sean Rush
Motukairangi Eastern Ward

Elected: 2019

Portfolio Leader: Infrastructure (three waters), Associate Urban Development (place-making and community-led planning shared with Councillor Pannett, urban development agency, property, low carbon energy)

Contact 021 964 898
sean.rush@wcc.govt.nz



Councillor Malcolm Sparrow
Takapū Northern Ward

Elected: 2013.

Portfolio Leader: Associate Resilience (community resilience and emergency preparedness)

Contact 027 232 2320
malcolm.sparrow@wcc.govt.nz



Councillor Simon Woolf
Wharangi Onslow-Western Ward

Elected: 2013.

Portfolio Leader: Sport and Recreation

Contact 027 975 3163
simon.woolf@wcc.govt.nz



Councillor Nicola Young
Pukehinau Lambton Ward

Elected: 2013

Portfolio Leader: Arts, Culture and Events, Associate Urban Development (central city projects), Associate Economic Development (civic and global partnerships)

Contact: 021 654 844
nicola.young@wcc.govt.nz

Councillor meeting attendance

The meeting attendance figures relate to Council, committee (excluding pre-meeting briefing sessions) and subcommittee meetings of which the councillor is a member.

The meeting attendance figures provided do not include Councillors' attendance at external meetings, including for boards of Council-controlled organisations, community boards, working parties, advisory groups and other external bodies. Such meetings can conflict with Council meeting times.

Excluded: Committees administered by other Councils: Porirua Harbour and Catchment (joint committee), Wastewater Treatment Plant and Landfill (joint committee). For more information, see Council and Committee meetings – Porirua City.

| | Meetings held of which the Councillor is a member | Meetings Attended | |
|----------------------------|---|-------------------|------|
| Current Council | | | |
| Mayor Andy Foster | 56* | 49 | 88%* |
| Deputy Mayor Sarah Free | 44 | 44 | 100% |
| Diane Calvert | 47 | 46 | 98% |
| Jenny Condie | 38 | 38 | 100% |
| Jill Day | 44 | 43 | 98% |
| Fleur Fitzsimons | 44 | 44 | 100% |
| Laurie Foon | 38 | 38 | 100% |
| Rebecca Matthews | 39 | 39 | 100% |
| Teri O'Neill | 34 | 32 | 94% |
| Iona Pannett | 46 | 46 | 100% |
| Tamatha Paul | 35 | 34 | 97% |
| Sean Rush | 33 | 32 | 97% |
| Malcolm Sparrow | 45 | 45 | 100% |
| Simon Woolf | 40 | 40 | 100% |
| Nicola Young | 43 | 43 | 100% |
| Former councillors | | | |
| Mayor Justin Lester | 16 | 16 | 100% |
| Chris Calvi-Freeman | 10 | 10 | 100% |
| Brian Dawson | 9 | 9 | 100% |
| Peter Gilberd | 10 | 10 | 100% |
| David Lee | 10 | 10 | 100% |
| Simon Marsh | 8 | 8 | 100% |
| Total meetings held | 62 | | |

* The Mayor is an ex-officio member of all Wellington City Council committees and sub-committees. Therefore the meeting attendance percentage is not comparable with other elected members.

Conflict of interest and Code of Conduct

A copy of the Elected Members Code of Conduct was provided as part of the induction process at the beginning of the triennium and covered the following: roles, responsibilities, relationships, behaviours, compliance and review. The Code of Conduct provides guidance on the standards of behaviour that are expected from the Mayor and Elected Members. Both these topics were covered extensively as part of the induction programme.

Conflict of interest

At the start of the triennium, all councillors were asked to declare their interests and follow-ups occur to ensure that Councillors comply with the provisions of the Local Authorities (Members' Interest) Act 1968, which covers financial interest, and with other requirements relating to non-pecuniary conflicts of interest. At Committee meetings, members are asked to declare any interest in relation to any items/reports on the agenda whether pecuniary or non-pecuniary. If a Councillor declares an interest, he/she will not vote or speak to the item.

Code of Conduct

The Code of Conduct applies to Elected Members in their dealings with each other, the Chief Executive, all staff, the media, and the general public.

Any alleged breach by a member of the provisions of the code for which there is not a process and penalty provided elsewhere shall be reported in a timely manner to the appropriate person. Any allegation is considered in a manner that is fair to all parties involved, including ensuring that due process is respected. This will include ensuring that the Elected Member is given an opportunity to consider and respond to the allegation.

Community boards

Wellington City Council has two community boards – Tawa Community Board and Makara/Ōhāriu Community Board. These boards are constituted under section 49 of the Local Government Act 2002 to:

- represent and act as an advocate for the interests of their community
- consider and report on any matter referred to it by the Council and any issues of interest or concern to the community board
- make an annual submission to the Council on expenditure in the community
- maintain an overview of services provided by the Council within the community
- communicate with community organisations and special interest groups
- undertake any responsibilities delegated by the Council.

Both community boards have six members elected triennially by the electors in the respective communities.

Tawa Community Board

Chair: Robyn Parkinson. **Deputy Chair:** Richard Herbert. **Members:** Graeme Hansen, Anna Scott, Stephanie Knight, and Jackson Lacy. **Council Appointed Members:** Cr Malcolm Sparrow and Deputy Mayor Jill Day

The Tawa Community Board met eight times in 2019/20. The Board discussed a wide range of matters affecting the community, including among other things: waste, resilience, supporting the Linden Social Centre local programme and events, Planning for Growth, and community support during COVID-19.

The Board was also regularly updated on allocations of the Tawa Community Board Discretionary Fund, resource consent applications and approvals, as well as current or upcoming Council consultations and surveys affecting Tawa.

Tawa Community Grants: 15 grants were made totalling \$15,000.

Makara/Ōhāriu Community Board

Chair: John Apanowicz. **Deputy Chair:** Christine Grace. **Members:** Hamish Todd, Chris Renner, Wayne Rudd, and Darren Hoskins.

The Makara/Ohariu Community Board met six times in 2019/20. The Board discussed a wide range of matters affecting the community, including: Makara Beach project (community-led climate adaptation), climate change issues, roading/traffic updates and emergency management.

The Board was also regularly updated on resource consent applications and approvals, as well as current or upcoming council consultations and surveys affecting Makara/Ohariu.

Advisory Groups

Forums and advisory groups help specific sectors of the community to have their say and guide us in our work.

Our advisory groups consist of members of the community with specialist knowledge in a specific area of council responsibility. Their role is to help their communities to understand Council processes and participate in the Council's decision-making processes, and to help the Council understand the needs of their communities and how those needs may be addressed. They are not seen as representing all views on their specialist areas or communities in Wellington.

Our five advisory groups are: the Pacific Advisory Group; Accessibility Advisory Group; Safe and Sustainability Transport Forum; Environmental Reference Group; and the Youth Council.

Accessibility Advisory Group (AAG)

Co-chairs: Tristram Ingham and Rachel Noble. **Members:** Amy Evanson, Erikka Helliwell, Rosie MacLeod, Stuart Mills, Solmaz Nazari Orakani, Alan Royal and Nick Ruane.

AAG met nine times in the 2019/20 year and provided feedback and advice to Council on a range of matters including: Parking Policy, Let's Get Wellington Moving, Advisory Group review, Karori Public Space Improvement Project, Accessibility Action Plan, Wellington Design Manual, Footpath Management Policy, and Suburban Pedestrian Ramp Audits.

Environmental Reference Group (ERG)

Chair: Martin Payne. **Members:** Steven Almond, Mike Britton, Lynn Cadenhead, Arron Cox, Isla Day, Sally Faisandier, George Hobson, Chris Paulin, Clare Stringer, Michelle Rush, Chris Watson and Eleanor West.

ERG met 10 times in the 2019/20 year and provided feedback and advice to Council on several matters including Let's Get Wellington Moving, the Parking Policy review, the Southern Landfill, Backyard Tāonga, the Advisory Group Review, Te Atakura – First to Zero low carbon capital plan, the Cemeteries Management Plan Review, Planning for Growth, and the Annual Plan 2020/2021.

Pacific Advisory Group (PAG)

Chair: Jocelyn Kua. **Deputy Chair:** Anthony Carter. **Members:** Mino Cleverley, Natalia Fareti, Aseri Kua, Sunia Foliaki, Kira (Christine) Hundleby, Ofania Ikiua, Sai Lealea, Merio Marsters, Alvin Mitikulena, and Lisapeti (Lisa) Pouvalu

PAG has specific membership requirements to ensure it represents a broad range of the Pasifika communities in Wellington. It includes up to 17 members. Three members will be from Samoan communities. Two members will be from each of the following communities: Cook Islands, Tonga, Fiji, Niue, Tokelau and Tuvalu. One member will be from a Melanesian community and one member will be from a Micronesian community.

PAG met 10 times in the 2019/20 year and provided feedback and advice to Council on several matters including Let's Get Wellington Moving, Planning for Growth, Parking Policy, Annual Plan 2020/21, and Fairer Rents for Council Tenants.

Youth Council

Chair: Freja Cook until February 2020, then Ella Flavell. **Deputy Chair:** Ella Flavell until February 2020, then Laura Jackson. **Current Members:** Carl Bennett, Watene Campbell, Raihaan Dalwai, Grace Day, Neesha Dixon, Ella Flavell, Tony Huang, Laura Jackson, Shelly Liang, Bethany Kaye-Blake, Jackson Lacy, Brad Olsen, Anastasia Reid, Timothy Rutherford, and John Sibanda. **Former members:** Sarah Gardener (until August 2019), Ollie Michie (until August 2019), Laura Somerset (until August 2019), Teri O'Neill (until October 2019), Melania Lui-Fai (until November 2019), Freja Cook (until February 2020), Dexter Smith (until February 2020), and Liam Davies (until March 2020).

Youth Council met 16 times in the 2019/20 year and provided feedback and advice to Council on several matters including the Annual Plan 2020/21, Planning for Growth, Let's Get Wellington Moving, Central City Saper Speeds, Southern Landfill Expansion, Advisory Groups Review, and e-scooter trial.

Members also assisted Council through engaging with young people on the 2019 Local Authority Elections, Planning for Growth, and the 2020/21 Annual Plan.

Youth Council also provided feedback and advice to Parliament and government departments on the Zero Carbon Bill, New Zealand's 2020-2049 Biodiversity Strategy, and youth engagement in the upcoming 2020 central government election.

Safe and Sustainable Transport Forum (SASTF)

Members: Representatives from 10 organisations and agencies interested in road safety and/or sustainable transport are invited to participate in the quarterly SASTF meetings including: Greater Wellington Regional Council, Living Streets Wellington, Cycle Aware Wellington, Waka Kotahi New Zealand Transport Agency, New Zealand Police, Automobile Association, Accident Compensation Corporation, Regional Public Health, Bikers' Rights Organisation of New Zealand (BRONZ) and Wellington City Councillors.

This forum did not meet during the 2019/20 year.

Our Organisation

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive.

The Chief Executive manages Wellington City Council under approved annual and long-term plans, legislation, policies and guidelines. The Chief Executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The Chief Executive employs the Council's 1,817 staff to help with these responsibilities.

The Chief Executive also provides independent and impartial advice to the elected Council before decisions are made. Advice is tested among Council staff and reviewed by the Executive Leadership Team to ensure all realistic options have been considered and risks have been identified and assessed before the advice is presented to the Council for consideration and decision making.

The Chief Executive ensures the Council has effective systems to monitor financial and service level performance and recommend changes where appropriate. The chief executive's performance is regularly monitored by the Council's Performance Review Committee.

Executive team and structure

Kevin Lavery, who was Wellington City Council's chief executive for seven years, departed in March 2020. The role was awarded to Chief Operating Officer Barbara McKerrow through the Performance Review Committee recruitment process.

The Executive Leadership Team (ELT) supports the Chief Executive in leading our staff. There have been several changes to the team in the 2019/20 year. The team is made up of eight members, up from five in the 2018/19 financial year. The three changes are the introduction of a Chief Digital Officer and Head of Māori Strategic Partnerships, and the splitting of the Chief City Planner role into Chief Planning Officer and Chief Infrastructure Officer roles. These areas will be ones of focus for the Council in the coming years.

See Note 37 in the financial statements on pg X for details of the Chief Executive's remuneration package.

Barbara McKerrow
Chief Executive Officer

Barbara commenced her role as Chief Executive on 2 March 2020, following three years as Chief Operating Officer for Wellington City Council. Prior to that she served nine years as the Chief Executive of New Plymouth District Council.

Barbara has approximately 30 years' experience as a senior and executive leader in local government. She has also served in several senior governance roles including a three-year term as the national President of the Society of Local Government Managers (SOLGM), where she is now recognised as a life member.

Her aim is to ensure the Council continues to develop as a high performing organisation and employer of choice, driving visible progress on the strategic priorities of the Council and delivering excellent service to the communities of Wellington.

Stephen McArthur
Chief Strategy & Governance Officer

Stephen was appointed to the Director role from 1 July 2019, after holding the position of Manager Community Networks for 15 months with the Council. Stephen has more than 30 years of experience in senior leadership and management roles in the public, private and not-for-profit sectors, including extensive local authority experience.

His current role has responsibility for iwi partnerships, strategy, policy and reporting, research, communications and engagement, assurance, and governance. This includes responsibility for the Council's Annual and Long-term Plans.

Meredith Blackler
Chief People & Culture Officer

Meredith was appointed as Director Human Resources in July 2019; this role

was renamed to Chief People & Culture Officer in mid-2020. Meredith has more than 17 years of experience in human resource management in both the education sector and local government.

In her role, she is responsible for human resources; payroll; safety, security and wellbeing; culture, staff engagement and building capability including leadership development.

James Roberts
Chief Digital Officer

James joined Council in December 2017 as the Smart Council Transformation Lead and was appointed to the Chief Digital Officer role at the end of March 2020.

James has more than 30 years of experience introducing and leveraging technology across several industries, including banking, telecommunications, education and distribution.

In his role, he is responsible for customer experience across customer channels, IT services for staff, IT innovation to support city strategies and policies, and developing an information and data-driven organisation.

Claire Richardson
Chief Operating Officer

Claire was appointed as Chief Operating Officer in late April 2020. She was previously COO at Ministry for the Environment, and has been part of the senior leadership team at Auckland Council.

In her role, she is responsible for Arts, Culture and Community Services, including Libraries, Parks, Sport and Recreation, Parking Services, City Housing and Council Controlled Organisations.

Andy Matthews

Chief Financial Officer

Andy has been CFO for six years. He has more than 20 years of experience in local government finance and funding areas.

In this role, he is responsible for Financial Strategy and Treasury, Financial Accounting and Transactional Services, including rates, and Business Reporting, Analysis and Performance.

Andy resigned as Chief Financial Officer in March 2020. Sara Hay from Auckland Council was appointed to the role and started in July 2020.

David Chick

Chief City Planner

David was appointed as Council's Chief City Planner in April 2016. He has more than 20 years of experience in local government and integrated design in New Zealand and Australia.

He resigned from the role in March 2020. However, once COVID-19 restrictions were put in place, David agreed to stay on at Council until the end of the financial year to provide consistency in leadership during the pandemic.

Acting Chief City Planner - Moana Mackay

Moana is Chief Advisor to the City Planner and stepped into the acting role in April 2019 so David Chick could focus on preparing the Council for the Let's Get Wellington Moving programme. She was the acting CCP for the full 2019/20 year.

Other changes to ELT

Kevin Lavery

Chief Executive Officer

Chief executive Kevin Lavery left the job in March 2020. He was appointed CE in March 2013. Over the past seven years he has focused on urban growth, renewal and resilience in Wellington.

New ELT positions created

These positions were created in 2019/20 but there were delays in recruitment and implementation due to COVID-19.

Head of Māori Strategic Relationships

Karepa Wall joined Council in September 2020 from the Ministry of Education for this roll. He has extensive experience working with iwi and the community and will help Council achieve its vision of being a Te Reo City by 2040. Karepa is of Manukorihi, Taranaki, Ngāti Ruanui, Ngāti Tūwharetoa and Te Ati Awa descent.

Chief Infrastructure Officer

Chief resilience officer Mike Mendonca acted in this role after David Chick left Council in June. Tom Williams was appointed as CIO on 29 July 2020. He started at Wellington City Council on 28 September from Palmerston North City Council. This role incorporates the Property, Resilience and Sustainability, and Transport and Infrastructure business units.

Chief Planning Officer

Moana Mackay acted in this role after David Chick left Council in June. Liam Hodgetts joined the Council in this role in September 2020 from New Plymouth District Council. This directorate is made up of five areas of five business units, Build Wellington, City Consenting and Compliance, City Design and Place Planning, Let's Get Wellington Moving and Climate Change.

Hayley Evans

Director, Legal & Risk

Hayley was appointed as Director, Legal & Risk on 1 July 2019. She moved from Council in January 2020. After Hayley left the role was disestablished and the Legal, Risk and Assurance Business Units moved back into the Strategy & Governance directorate.

Our organisation's unifying purpose

Supporting the strategic Towards 2040 direction (see pg X) is the Council's organisational goal and values that focus on what we want to achieve as an organisation and how we will work together to deliver on Wellington's ambitions for the future. They were reviewed and updated in July 2019, with extensive input from staff.

Our Council unifying purpose is:

Kia mahi ngātahi mō Pōneke mō tōna ā āpōpō: Working together for Wellington's future.

Our Council values are:

- **He tangata, he tangata, he tangata: We put people at the heart of what we do**
 - We anticipate our customers' needs
 - We support our colleagues
 - We listen to our customers and each other
 - We act with integrity and respect
- **Whakapai ake: We're always improving**
 - We are open to new ideas and innovation
 - We encourage creativity
 - We learn from our mistakes
 - We give constructive feedback, compliment good work and reward success
- **Mahi ngātahi: We collaborate**
 - We share our skills and knowledge
 - We have confidence in our colleagues
 - We work together to get the best results
 - We are accountable for our actions and decisions
- **Mana tiaki: We care for our places**
 - We protect our environment for future generations
 - We are guardians of our city's assets
 - We nurture our communities
 - We consider the impact of what we do

Making Ourselves Accountable

We make ourselves accountable in many ways. This annual report is one. It explains what we did during 2019/20, how our work contributed to the city, what it cost, and whether our performance met the expectations we set ourselves. Its contents have been independently scrutinised to ensure they fairly reflect our financial performance and position, and the services we've provided.

Transparency

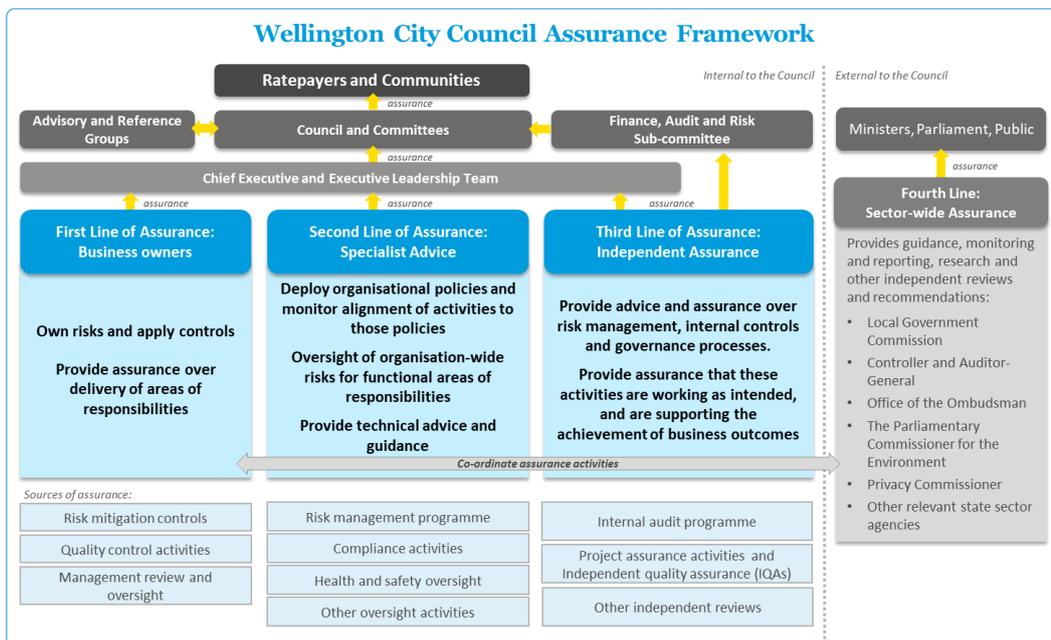
The Local Government Official Information and Meetings Act 1987 ensures our community can access official information, participate in meetings and influence local decision making. It also ensures that, as a public organisation, we promote good local government by being transparent in our work and accountable to our ratepayers and communities and independent authorities.

All meeting agendas and reports are publicly available at least two days before meetings in our libraries, at Arapaki and online at www.wellington.govt.nz. The minutes of our meetings are made available on our website and we also live stream our full Council meetings.

While the provisions of the Local Government Official Information and Meetings Act allows us to exclude the public from meetings on special grounds (e.g. commercial sensitivity), we seek to make use of these provisions as infrequently as possible. We also ensure any decisions are communicated effectively to the community – through media releases, social media, web alerts, and our website. We also produce quarterly reports which are available to members of the public and media.

Assurance Framework

We have systems in place to guarantee that results are delivered in a way that meets the public's expectations of accountability and responsibility. The Council's Assurance Framework is based on international good practice of 'lines of assurance' working together to provide confidence to our ratepayers, communities and other stakeholders that the Council is well positioned to deliver its business objectives and outcomes.



Good internal control systems are inbuilt in how we do things at the Council, with clear responsibilities and accountabilities across the organisation. Regular assurance is provided through multiple sources that systems and processes are working as intended. The Council's internal audit programme of work is designed to provide an overview of the effectiveness of the Council's internal control environment. Oversight for this programme of work is through the Finance, Audit and Risk Subcommittee (FARS).

Managing Risks

The Council's Enterprise Risk Management framework is aligned to the International standard ISO31000 and is used across the organisation to proactively identify and manage the uncertainties on our strategic objectives. This framework enables us to review and set risk strategies that are appropriate for the management of Council's significant risks.

FARS has oversight to ensure that the risk management systems, processes and organisational risk management capability is appropriate for the effective management of risks. This subcommittee receives quarterly reports related the efficacy of risk management practices, as well as an overview of the Council's Strategic risk profile.

Operational risks, including health and safety risks, receive regular oversight by the Council's Executive team and matters are escalated to FARS where appropriate in line the Enterprise Risk Management framework. Project risks are considered through the Project Boards, Elected Member portfolio and the relevant Committee groups to ensure that significant project risks are being managed within the Council's risk appetite.

The Council assess its risk management practices against the All-of-Government Enterprise Risk Maturity Assessment Framework and will continue to improve its maturity over the coming years.

Finance, Audit and Risk Subcommittee

The subcommittee oversees the work of the Council in discharging its responsibilities in the areas of assurance as well as risk management, statutory reporting, internal and external audit, monitoring of compliance with laws and regulations (including health and safety), and significant projects and programmes of work focusing on the management of risk.

The subcommittee met twice in the 2019-2020 year and attendance was 100 percent for both meetings. The subcommittee meets quarterly or as and when required; and had one meeting in 2020 cancelled due to the COVID-19 pandemic.

In the 2016-2019 triennium, membership was: Mayor Justin Lester, Councillor Diane Calvert, Councillor Andy Foster (Chair), Councillor Sarah Free, Peter Harris (external), Phillippa Smith (external), and Roy Tiffin (external).

After the local government election in 2019, membership of the subcommittee was changed to: Mayor Andy Foster, Councillor Diane Calvert (Chair), Councillor Jenny Condie (Deputy Chair), Councillor Iona Pannett, Councillor Tamatha Paul, Councillor Sean Rush, Roy Tiffin (External), and Linda Rieper (External).

The external appointments to FARS are recruited based on relevant skills and experience that brings value to the subcommittee, including financial knowledge, experience in risk management and governance, and local government experience.

Our Staff

Our people are our greatest asset. Through their efforts we can deliver great services to our diverse communities.

He Tangata – People

One of our strengths at Council is our people – we have many talented, hard-working staff right across Council, and much to celebrate and be proud of. This is especially true this year, with the unexpected challenges and opportunities that have come our way.

Our staff, each year, through our annual engagement survey, Korero Mai, tell us that they enjoy working at the Council and that it is a great place to work. Our most recent survey reinforced this and through the past 12 months we have continued to embed and improve upon our people-focused initiatives and strategies.

Staff Count by directorate and employee class

| Directorate | Permanent | | Fixed Term | | Casual | Contractor | Headcount | FTE |
|-----------------------------|--------------|------------|------------|-----------|------------|------------|--------------|----------------|
| | Full-Time | Part-Time | Full-Time | Part-Time | | | | |
| Customer and Community | 464 | 442 | 20 | 14 | 134 | 0 | 1,074 | 688.1 |
| Finance and Business | 47 | 5 | 1 | 0 | 0 | 0 | 53 | 50.9 |
| Infrastructure and Delivery | 123 | 13 | 8 | 4 | 10 | 0 | 158 | 143.9 |
| People and Culture | 32 | 7 | 1 | 1 | 0 | 0 | 41 | 39.1 |
| Planning and Environment | 211 | 16 | 17 | 5 | 5 | 0 | 254 | 244.3 |
| Smart Council | 109 | 17 | 7 | 2 | 0 | 1 | 136 | 127.9 |
| Strategy and Governance | 84 | 10 | 4 | 2 | 0 | 1 | 101 | 97.1 |
| Total | 1,070 | 510 | 58 | 28 | 149 | 2 | 1,817 | 1,391.2 |

Staff Numbers by Employee Class

| | # Staff | Ratio |
|--------------|--------------|-------------|
| Permanent | 1,580 | 87% |
| Fixed Term | 86 | 5% |
| Casual | 149 | 8% |
| Total | 1,815 | 100% |

*excludes contractors

Staff Numbers by Employee Class, Gender and Age

| Staff Numbers by Employee Class | Age Brackets | Female | Male | Grand Total |
|---------------------------------|--------------|------------|------------|-------------|
| Permanent | < 25yrs | 205 | 123 | 328 |
| | 25 - 40yrs | 308 | 268 | 576 |
| | 41 - 55yrs | 229 | 191 | 420 |
| | 56 - 60yrs | 62 | 69 | 131 |
| | 61yrs+ | 63 | 62 | 125 |
| Permanent Total | | 867 | 713 | 1580 |
| Fixed Term | < 25yrs | 9 | 5 | 14 |
| | 25 - 40yrs | 24 | 16 | 40 |
| | 41 - 55yrs | 9 | 7 | 16 |
| | 56 - 60yrs | 7 | 2 | 9 |
| | 61yrs+ | 4 | 3 | 7 |

| | | | | |
|--------------------|------------|-------------|------------|-------------|
| Fixed Term Total | | 53 | 33 | 86 |
| Casual | < 25yrs | 61 | 35 | 96 |
| | 25 - 40yrs | 16 | 12 | 28 |
| | 41 - 55yrs | 9 | 4 | 13 |
| | 56 - 60yrs | 1 | 1 | 2 |
| | 61yrs+ | 6 | 4 | 10 |
| Casual Total | | 93 | 56 | 149 |
| Grand Total | | 1013 | 802 | 1815 |

*excludes contractors

Staff Numbers by Employee Type

| | # Staff | Ratio |
|--------------|--------------|-------------|
| Full-Time | 1,128 | 62% |
| Part-Time | 538 | 30% |
| Casual | 149 | 8% |
| Total | 1,815 | 100% |

*excludes contractors

Staff Numbers by Employee Type, Gender and Age

| Staff Numbers by Employee Class | Age Brackets | Female | Male | Grand Total |
|---------------------------------|--------------|-------------|------------|-------------|
| Full-Time | < 25yrs | 62 | 53 | 115 |
| | 25 - 40yrs | 246 | 235 | 481 |
| | 41 - 55yrs | 151 | 179 | 330 |
| | 56 - 60yrs | 40 | 62 | 102 |
| | 61yrs+ | 45 | 55 | 100 |
| Full-Time Total | | 544 | 584 | 1128 |
| Part-Time | < 25yrs | 152 | 75 | 227 |
| | 25 - 40yrs | 86 | 49 | 135 |
| | 41 - 55yrs | 87 | 19 | 106 |
| | 56 - 60yrs | 29 | 9 | 38 |
| | 61yrs+ | 22 | 10 | 32 |
| Part-Time Total | | 376 | 162 | 538 |
| Casual | < 25yrs | 61 | 35 | 96 |
| | 25 - 40yrs | 16 | 12 | 28 |
| | 41 - 55yrs | 9 | 4 | 13 |
| | 56 - 60yrs | 1 | 1 | 2 |
| | 61yrs+ | 6 | 4 | 10 |
| Casual Total | | 93 | 56 | 149 |
| Total | | 1013 | 802 | 1815 |

*excludes contractors

Staff Numbers by length of service, gender and age

| Gender | Length of service | < 25yrs old | 25 - 40yrs old | 41 - 55yrs old | 56 - 60yrs old | 61yrs+ old | Grand Total |
|--------|-------------------|-------------|----------------|----------------|----------------|------------|-------------|
| Female | 0 - 1 yr | 101 | 90 | 26 | 9 | 5 | 231 |
| | 1 - 2 yrs | 76 | 71 | 40 | 4 | 2 | 193 |
| | 2 - 5 yrs | 89 | 100 | 63 | 8 | 9 | 269 |
| | 5 - 10yrs | 9 | 56 | 47 | 13 | 11 | 136 |
| | 10 - 15yrs | | 23 | 32 | 12 | 11 | 78 |
| | 15 - 20yrs | | 7 | 26 | 16 | 13 | 62 |
| | 20 - 25yrs | | 1 | 11 | 5 | 9 | 26 |
| | 25 - 30yrs | | | 2 | 1 | 5 | 8 |
| | 30 - 35yrs | | | 1 | 2 | 5 | 8 |
| | Over 35yrs | | | | | 3 | 3 |

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|-------------|
| Female Total | | 275 | 348 | 248 | 70 | 73 | 1014 |
| Male | 0 - 1 yr | 54 | 66 | 26 | 4 | 5 | 155 |
| | 1 - 2 yrs | 47 | 56 | 18 | 7 | 5 | 133 |
| | 2 - 5 yrs | 55 | 95 | 39 | 14 | 6 | 209 |
| | 5 - 10yrs | 7 | 60 | 45 | 15 | 7 | 134 |
| | 10 - 15yrs | | 13 | 34 | 11 | 10 | 68 |
| | 15 - 20yrs | | 6 | 20 | 4 | 11 | 41 |
| | 20 - 25yrs | | | 7 | 4 | 6 | 17 |
| | 25 - 30yrs | | | 6 | 5 | 3 | 14 |
| | 30 - 35yrs | | | 5 | 5 | 8 | 18 |
| | 35 - 40yrs | | | 2 | 1 | 2 | 5 |
| Over 40yrs | | | | 3 | 6 | 9 | |
| Male Total | | 163 | 296 | 202 | 73 | 69 | 803 |
| Total | | 438 | 644 | 450 | 143 | 142 | 1817 |

Staff Attrition

| Reporting Period | Voluntary Attrition | Involuntary Attrition | Turnover (%) |
|-----------------------------------|---------------------|-----------------------|--------------|
| 1 July 2017 - 30 June 2018 | 19.3% | 2.0% | 21.3% |
| 1 July 2018 - 30 June 2019 | 20.9% | 1.7% | 22.6% |
| 1 July 2019 - 30 June 2020 | 17.7% | 1.4% | 19.1% |

Staff awards

This is the second year we have run our internal staff awards. These awards are a way we can, as an organisation, celebrate the achievements of our people and to formally acknowledge the high performers who are living our values, demonstrating strong leadership, and helping deliver real progress for our city.

The awards are peer and leader nominated under the following categories:

- **He tangata:** Recognising exceptional achievement in customer service, working with the community, or in demonstrating care and respect for others.
- **Mahi ngātahi:** Recognising excellence in collaborating with others inside and outside Council to achieve exceptional results.
- **Whakapai ake:** Recognising innovative thinking that challenges the way we do things or improves our business processes.
- **Mana tiaki:** Recognising an exceptional contribution towards making Wellington a great place to live, work and play.
- **Emerging leader:** Recognises individuals who have demonstrated leadership potential.
- **Leadership:** Recognises individuals who positively influence others by demonstrating good leadership. The award is open to anyone - not just managers.
- **Ngā Kaha:** Recognises a team which lives and breathes 'our values- Ngā Kaha'.
- **Outstanding achievement during COVID-19:** two awards, one for an individual and one for a team, who went above and beyond in their work during COVID-19.

In 2020 we received 127 nominations for the awards, which is over 50 more than 2019. The announcement of the 2020 winners was delayed due to COVID-19 restrictions. They will be announced to all staff in November this year.

Mahi Ngātahi – We Collaborate

Diversity and Inclusion

Our Diversity and Inclusion Strategy ‘Mō te katoa – For everyone, for all’ was launched in October 2018 and has continued to be a focus over the past 12 months. Since July 2019, we have:

- Quarterly reporting to ELT about our diversity and inclusion data to provide insight and support decision making.
- In February, our HR portal was opened for staff to self-disclose diversity information including Date Of Birth, Gender, Nationality, Ethnicity and Disability information.
- Flexible working options including remote working were developed and rolled out to support staff and managers during and post the COVID-19 lockdown. A continued focus on flexible working will occur over the next 12 months.
- Mental health first aid training was rolled out with 127 Council managers completing this training through St John. This programme provides managers with mental health awareness, and practical strategies to enable them to recognise and support staff who are experiencing mental distress.

Between 1 July 2019 and 30 June 2020, there were seven more females than males in Tiers 1 to 3 of the organisation and eight more females than males in Tier 4. Tier 1 is the chief executive and Tier 4 in general covers team leader roles. When all 1,817 employees are considered, there are 211 or 10 per cent more females than males with females making up 55 percent of our workforce.

Staff diversity profiles

Staff composition – gender

| Gender | Permanent | Fixed Term | Casual | Contractor | Grand Total |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Female | 55% | 62% | 62% | 50% | 56% |
| Male | 45% | 38% | 38% | 50% | 44% |
| Total | 100% | 100% | 100% | 100% | 100% |

Gender by organisation level

| Tier Level | Female | Male | Grand Total |
|--------------|--------------|------------|--------------|
| 1 | 1 | | 1 |
| 2 | 3 | 4 | 7 |
| 3 | 27 | 20 | 47 |
| 4 | 80 | 72 | 152 |
| 5 | 217 | 176 | 393 |
| 6 | 253 | 242 | 495 |
| 7 | 418 | 273 | 691 |
| 8 | 15 | 16 | 31 |
| Total | 1,014 | 803 | 1,817 |

Staff breakdown by organisation level, age and gender

| Gender | Age Brackets | Tier 2 | Tier 3 | Tier 4 | Tier 5 | Tier 6 | Tier 7 | Tier 8 | Grand Total |
|---------------------|--------------|----------|-----------|-----------|------------|------------|------------|-----------|-------------|
| Female | < 25yrs | | | | 18 | 43 | 207 | 7 | 275 |
| | 25 - 40yrs | | 10 | 32 | 100 | 107 | 95 | 4 | 348 |
| | 41 - 55yrs | 2 | 12 | 39 | 63 | 60 | 70 | 2 | 248 |
| | 56 - 60yrs | | 3 | 6 | 19 | 17 | 24 | 1 | 70 |
| | 61yrs+ | | 3 | 3 | 17 | 26 | 22 | 1 | 72 |
| Female total | | 2 | 28 | 80 | 217 | 253 | 418 | 15 | 1013 |
| Male | < 25yrs | | | 2 | 10 | 29 | 120 | 2 | 163 |

| | | | | | | | | | |
|--------------|------------|----------|-----------|------------|------------|------------|------------|-----------|-------------|
| | 25 - 40yrs | | 4 | 24 | 63 | 109 | 89 | 7 | 296 |
| | 41 - 55yrs | 2 | 10 | 29 | 60 | 61 | 35 | 5 | 202 |
| | 56 - 60yrs | 2 | 5 | 11 | 21 | 21 | 11 | 2 | 73 |
| | 61yrs+ | | 1 | 6 | 22 | 22 | 18 | | 69 |
| Male total | | 4 | 20 | 72 | 176 | 242 | 273 | 16 | 803 |
| Total | | 6 | 48 | 152 | 393 | 495 | 691 | 31 | 1816 |

* excludes CEO

Staff Ethnicity

| Ethnicity | Female | Male | Grand Total |
|---------------------------------------|-------------|------------|-------------|
| European | 511 | 347 | 858 |
| Maori | 52 | 52 | 104 |
| Asian | 58 | 74 | 132 |
| Pacific Peoples | 25 | 19 | 44 |
| Middle Eastern/Latin American/African | 17 | 8 | 25 |
| Other Ethnicity | 108 | 86 | 194 |
| Not Recorded | 243 | 217 | 460 |
| Total | 1014 | 803 | 1817 |

Te Tauihu and Te Tiriti o Waitangi

Our aspiration is for an organisation where everyone understands the importance of te reo Māori and feels supported using it. Being familiar with te reo, Māori aspirations, values and cultural customs helps us to acknowledge our unique cultural heritage and identity, build stronger te reo communities and serve the people of Wellington more equitably.

To support this aspiration, an internal action plan has been created that identifies five domains in which to focus our efforts:

- Critical awareness – understanding the context of te reo Māori within Wellington
- Status – raising the mana of te reo within Wellington
- Use – growing the application of te reo in Wellington
- Acquisition – assisting people in Wellington to learn te reo
- Corpus – access and collect words to support te reo Māori in Wellington

While this is a longer-term aspiration, practically, we have already started on our journey. Over the past year we have:

- Began a noho mārae development programme – 25 staff participated this year.
- Raised the status of Mātauranga Māori as an important capability in our core capability framework (Ki te hoe) and integrated it into our senior leader leadership development programme.
- Continued to promote te reo Māori and cultural capability through core Learning and Development offerings including:
 - Te rito – an online, self-paced learning programme on history, iwi relationships, te reo Māori and knowledge of te Ao Māori. 174 staff completed at least one of the four modules this year.
 - Te reo classes – offered at various experience levels to support staff to learn te reo Māori. 58 staff have completed at least one course this year.

- Focused workshops – designed to support staff to build capability in pronunciation, learn basic phrases and to construct and confidently deliver a mihi and pepeha. 20 staff have undertaken at least one workshop.
- Kapa haka continues to be an active and well attended group, with staff performing at pōwhiri, the Council's inauguration ceremony and other key and important internal and external events.

Te Wiki o te reo Māori was very well celebrated at Council with several cultural activities (for example, shared hāngī) and public displays of support (for example, a large group of Council staff walked in the 2019 Te Wiki o te reo Māori parade).

Te reo is well on its way to being incorporated into official Council resources, tools, policies, strategies and our technology platforms. Our performance management plan and framework (Whare Tapa Toru), learning management system (Whare Kura), knowledge base and IT ticket management system (Hiko) all have te reo names, and many of our core strategies have both te reo names and bilingual content.

Te Tiriti o Waitangi

Wellington City Council also has Te Tiriti o Waitangi legislative obligations and considerations, which are reflected in how we work on a day-to-day basis. Some of the key documents that aid our approach include:

- Iwi Memoranda of Understanding to work together, including providing cultural advice and activities.
- Mahi Tahi agreement to work closely with Te Taura Whiri i te Reo Māori (Māori Language Commission) to revitalise the language.
- Te Tauihu – Te Reo Māori Policy and Action Plan
- Spatial (Growth) Plan and the District Plan
- Arts and Culture Strategy
- Our community grants and funding criteria
- Reserve Management Plans
- Open Space Naming Policy: Kaupapa Whakaingoa Whenua Māhorahora
- Road Naming Policy
- Te Mahana Homelessness Strategy
- Three Waters Strategy
- Terms of reference and delegations that enable our two iwi mana whenua partners to sit as members of the City Strategy and Annual Plan/ Long-term Plan Committees

Mana tiaki – caring for our environment

Volunteers

One of the greatest assets of our city is our people. We are privileged to have hundreds of people willing to donate their time to ensuring the city is a better place for all. Without all the help from these wonderful people, Wellington would not look or feel the same. Our network of volunteers is essential and many of them have worked in their own time for the city for decades.

Below are some examples of the great work volunteers contribute to Wellington.

Environmental volunteers

We continue to expand our network of volunteer trappers through the city, helping us maintain low pest animal numbers. We currently have 27 groups trapping across Wellington suburbs,

including in residential backyards. There are also an additional 15 groups trapping on public land. Overall this environmental network consists of 11,381 community traps

Our volunteers have contributed a total of 57,851 hours to revitalising Wellington's natural environment and they are vital in our dream of restoring our native bush covered hills and abundant native wild and bird life. These volunteers include those who work in our Wellington Gardens and at the Berhampore Nursery. Due to the COVID-19 lockdown, this number is significantly down from the 70,000-plus hours last year.

- Wellington Gardens: 2,671 hours
- Berhampore Nursery: 1,380 hours
- Community volunteers: 53,800 hours

These hours include various activities across a range of sites, from beach clean ups to planting trees to guiding people around our amazing Wellington Gardens.

Libraries

In our libraries, volunteers work in three areas – shelving, housebound carriers and event presenters. Without this help our libraries would likely need additional staff resourcing. The volunteers are a valued part of the libraries network.

- **Shelving volunteers:** There are about 3 volunteers at any one time, doing an hour of work per week, mainly working in the South East Libraries. Most are doing activities such as Duke of Edinburgh, or are unable to take on employment for some other reason, such as a disability.
- **Housebound carriers:** These volunteers deliver books to and from library members who are housebound and unable to visit the library themselves for various mobility reasons. We currently have 40 volunteers who deliver and uplift book deliveries every six weeks.
- **Event presenters:** This year we engaged 15 people to present information talks within Libraries and Community Spaces. Most of these volunteers contributed on a single occasion only.

Whakapai ake - Improving

Development and training

We have continued to invest in core learning and development (L&D) initiatives for our staff. Our L&D investment is targeted to support an uplift in leadership, management use of IT systems, and Mātauranga Māori, aligned to our culture programme.

This year the Culture and Capability team provided 52 different courses to staff. These are centrally provided and do not account for individual and team training provided by individual business units. Overall Council spent \$1,593,000 on training (Business Units: \$958,556 and Culture and Capability: \$634,333). This equates to an average of \$876 per employee. These figures are lower than last year due to face-to-face workshop training being cancelled during the COVID-19 Alert Levels.

Over the past 12 months Culture and Capability have invested in:

- Refreshing our induction programme.
- Continuing to develop our Te Pourewa Skills for Managers programme.
- Developing learning to support the rollout of Microsoft Office 365.
- Converting face-to-face learning into online content and webinars.

- Providing access to wellbeing learning to support staff and managers during COVID-19 lockdown.

We received a good score in our Korero Mai staff engagement survey related to the statement 'Wellington City Council provides opportunities for me to develop my skills and competencies and actively encourages career development', which was 67 percent. Further work over the next 12 months will be undertaken as part of the evolution of our Performance, Career and Development framework.

Health and Safety

In 2018, the Safety, Security and Wellbeing team received its first SafePlus review undertaken by an independent health and safety reviewer. Five improvement areas were identified to take the Council's current Health & Safety Systems from 'Performing' to 'Leading' and these were in the areas of Health & Safety Leadership, Worker Engagement, and Risk management.

In response to the review the Safety, Security and Wellbeing team adopted several improvements to address recommendations in the report including:

- providing guidance material and tools for developing contractor health and safety plans and assessing risks on sites,
- revising processes to increase the number of ELT & Councillor health and safety observations undertaken
- creating a hazard collaboration forum (3 forums have been held in 2019/20) to review and assess existing controls and design new controls for managing the Council's significant hazards, and to increase worker and contractor participation.

We have recognised the need to provide Contractor Management Health & Safety training on a more regular basis driven by demand. We now use one-on-one or small group training tailored to the business project managers and contract managers.

During the year we upskilled 33 Health and Safety Representatives and 15 of them completed a component of training to enable them to support staff that may experience workplace bullying and harassment. This is part of the Council's ongoing commitment to have a safe workplace culture, free from bullying and harassment.

Safety, Security and Wellbeing

The Quarterly Safety, Security and Wellbeing reports have included several key lag and lead indicators. This year was unique because the pandemic meant Council staff were at home during lockdown. This is reflected in an overall reduction in lead and lag indicators reported.

Safety

Lag indicators have included workplace injury and incident statistics. This year:

- there was a decrease in worker near-miss incidents from 748 to 713
- a decrease in medical treatment incidents from 281 to 262
- the reduction in work related injury claims from 80 to 63.

The team have focused efforts on identifying near miss incidents where staff have incurred muscle strain at an early stage and provided early intervention to ensure the injury doesn't move to a medical treatment injury or lost time injury incident. As a result we have increased early interventions from 41 to 52 this year.

This year, the team have improved scrutiny of information entered in the Council's incident reporting tool and, as a result, has achieved a 0 percent miscoding of incidents into hazard categories which allows the Council to better identify hazard areas throughout the year.

Security

There was a reduction in trespass notices issued from 3 to 2, which were served on members of the public that had a history of bad behaviour while attending a Council facility.

In addition, there was a reduction in the number of incidents that were of an unlawful nature and needed to be notified to the police – from 107 to 85. The Council provided 79 staff with training on the management of actual or potential aggression so they can keep themselves safe when personal confrontation is experienced (the Council's Highest Risk Hazard).

Wellbeing

The Safety, Security and Wellbeing business unit recognised an increasing global trend in poor worker mental health. To address this trend and position our leaders to support staff that may be suffering from poor mental health, we provided 127 leaders with mental health first aid training.

COVID-19 impact and response

This year presented new challenges for the Safety, Security and Wellbeing team. Over and above the requirement to ensure staff safety in relation to possible exposure of the virus, additional work and resources were created to support staff during the Government's various Alert Levels.

This included additional measures to keep those staff safe who were deemed as 'Essential Workers'. Other responses included:

- tracking at-risk staff and providing additional safety measures from exposure;
- designing and implementing new mental health and wellbeing resources to provide additional support to staff during the lockdown period;
- muscular skeletal risks and cybersecurity guidelines for working from home safely;
- additional security and site lockdowns of Council assets and buildings during Level 4;
- returning to work health and safety plans for business units; and
- regular staff surveys throughout lockdown to monitor staff mental health and concerns so that prompt action could be taken to address these.

Awards

Some of the awards won by Wellington City Council projects and staff this year. Note: Many award ceremonies were due to be held from March 2020 when there were COVID-19 restrictions worldwide.

July 2019

LGNZ Awards, Martin Jenkins excellence award for economic wellbeing for the Wellington Waterfront project

LGNZ Awards, Creative New Zealand excellence award for cultural wellbeing for Visa Wellington on a Plate

September 2019

Association of Local Government Information Managers, Ultimate customer service centre award, runner up for Arapaki Service Centre

November 2019

Intelligent Communities Forum Smart21 Cities for 2020

NZ Institute of Landscape Awards: Playgrounds category winner for Chimpanzee Park at Wellington Zoo; Institutional award of excellence for Discovery Garden at the Botanic Garden; and Small projects award of excellence for Eva and Leeds Street Laneways upgrades.

2019 New Zealand Architecture Awards, Planning & urban design category award for Kumutoto pavilion with Isthmus Group

December 2019

Toitū CarbonZero awards and certification for Wellington Zoo, ZEALANDIA and Wellington Gardens

February 2020

New Zealand Event Awards, Best Local Government Event 2019 category finalist for ReCut – awards postponed to October

July 2020

New Zealand Institute of Architecture Local Awards, Public architecture winner for Waitohi Library and Community Hub (announcement delayed due to COVID-19)

Section 4: Financial Statements

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Statement of Compliance and Responsibility

Reporting entity

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary purpose of the Council and Group is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

The reported Council figures includes the results and operations of Wellington City Council and the Council's interests as disclosed in Note 35: Joint operations (page XX).

The reported Group figures includes the Council (as defined above), its controlled entities as disclosed in Note 19 (page XX) and the Council's equity accounted interest in the associates and a joint venture as disclosed in Note 20 (page XX). A structural diagram of the Council and Group is included on the following page.

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, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with.

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity¹¹ and were authorised for issue by the Council on 25 November 2020.

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 Report for the year ended 30 June 2020 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.

Andy Foster
Mayor
25 November 2020

Barbara McKerrow
Chief Executive
25 November 2020

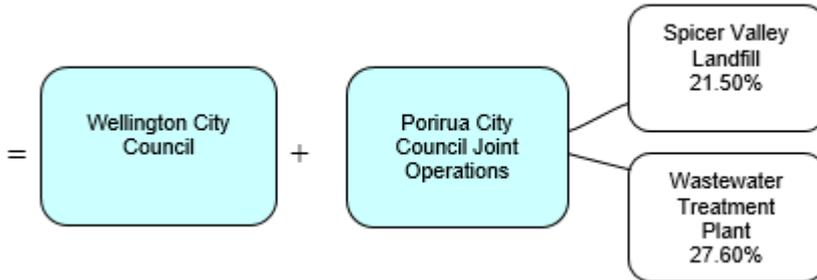
Sara Hay
Chief Financial Officer
25 November 2020

¹¹ A Tier 1 entity is defined as being either, publicly accountable or large (ie. expenses over \$30m). Council exceeds the expenses threshold.

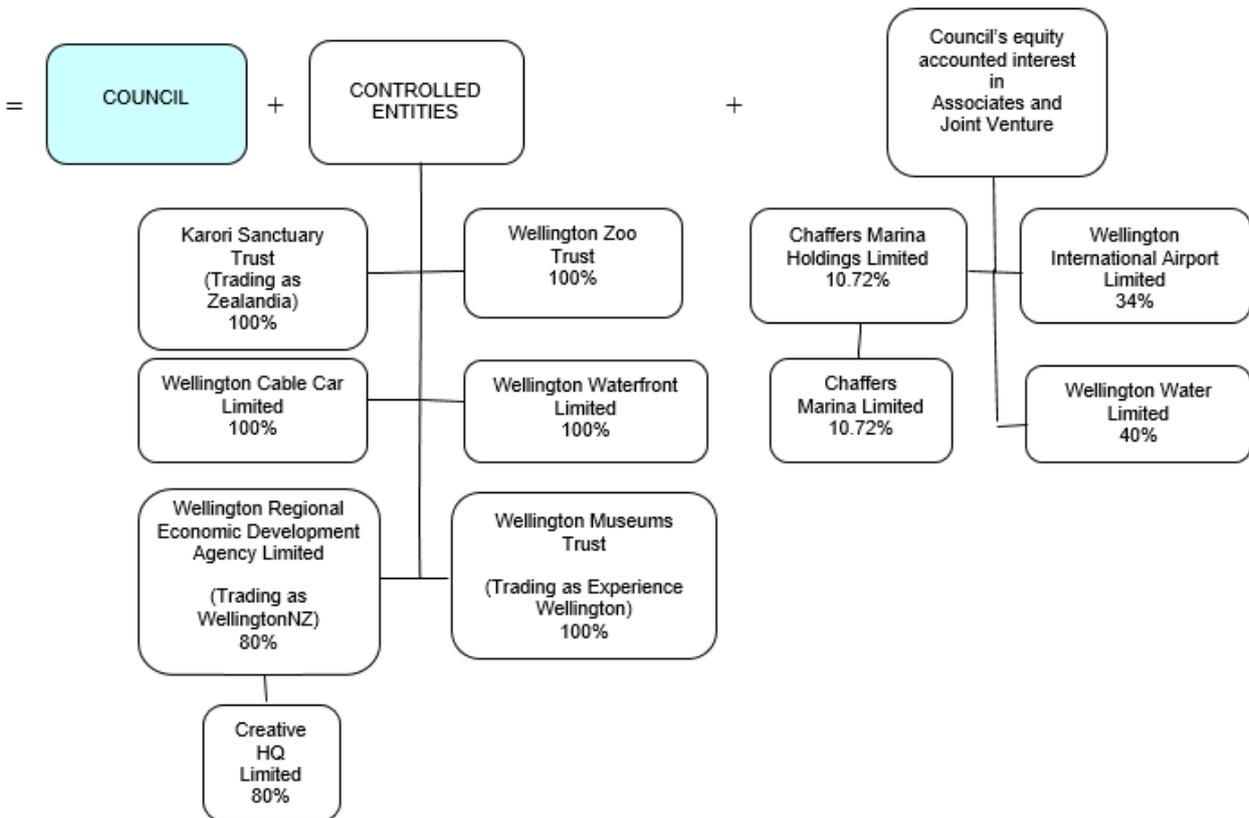
Council and Group Structure

Figure 1: Reporting entity structures

Wellington City Council Reporting Entity (Council)



Wellington City Council Group Reporting Entity (Group)



All entities included within the Group are domiciled and operate in the Wellington region, New Zealand.

The percentages in the figures above, represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group. Refer to Notes 19 and 20 (pages XX to XX) for more information

Basis of Consolidation

The Council and Group have adopted the new group standards, PBE IPSAS 34 to 38, in preparing these financial statements. In adopting these new standards, the Council and Group have updated the accounting policies for their investments in controlled entities, associates and joint ventures. Disclosures have also been updated for the new disclosure requirements of PBE IPSAS 38.

Joint arrangements

Joint arrangements are arrangements where two or more parties have joint control. The accounting treatment can vary according to the structure of the arrangement. There are two types of joint arrangements, either a joint operation or a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In the Council financial statements, the investments in joint ventures are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. For a joint operation the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities, and shares in any operational surpluses and assets.

The Council's proportionate interest (ie. 21.5 percent of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure of joint operations is included in the financial statements of the Council and Group on a line-by-line basis.

Controlled entities

Controlled entities are entities that are controlled by the Council. Control exists where the Council is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

In the Council financial statements, the investment in controlled entities are carried at cost. In the Group financial statements, controlled entities are accounted for using the purchase method where assets, liabilities, revenue and expenditure are added on a line-by-line basis. Where a non-controlling interest is held by another party in a Council controlled entity, the controlled entity is consolidated as if it was fully controlled and the share of any surplus or deficit attributable to the non-controlling interest is disclosed within the Statement of Comprehensive Revenue and Expense.

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 over their operating and financial policies, but they are not controlled entities or joint ventures. 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.

Council Controlled Organisations

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. The performance of each CCO is reported on within the chapter 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.

Other Significant Accounting Policies

The following accounting policies are additional to the disclosures and accounting policies that are included within the relevant specific Notes forming part of the financial statements.

Basis of preparation

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in the 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 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.

Exchange and non-exchange transactions

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally considered as an arm's length commercial transaction between a willing buyer and willing seller. Some goods or services that Council provides (eg. the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by Council operate on a full user pays (eg. Parking), cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

Most of the services that Council provides, for a fee, are subsidised by rates (eg. The cost to swim in a Council pool) and therefore do not constitute an approximately equal exchange. Accordingly, most of Council's revenue is categorised as non-exchange.

Change of accounting policies

There have been no elected changes in accounting policies during the financial period.

Changes to PBE accounting standards

The following new accounting standards have been issued with mandatory effect for the accounting period.

- In April 2017, the XRB issued *Impairment of Revalued Assets*, which now scopes in revalued property, plant and equipment into the impairment accounting standards PBE IPSASs 21 and 26, which will require Council to assess at each reporting date whether there is any indication that an asset may be impaired. However, where an impairment loss is recognised for an asset or group of assets, that is revalued, an entity is not necessarily required to revalue the entire class of assets to which that impaired asset, or group of assets, belongs. This amendment is effective for periods beginning on or after 1 January 2019.
- In January 2017, the XRB issued the following new standards for interest in other entities effective for periods beginning on or after 1 January 2019:
 - PBE IPSAS 34 *Separate financial statements*
 - PBE IPSAS 35 *Consolidated financial statements*
 - PBE IPSAS 36 *Investments in Associates and Joint Ventures*
 - PBE IPSAS 37 *Joint Arrangements*
 - PBE IPSAS 38 *Disclosures of interests in other entities*

These replace accounting standards PBE IPSAS 6 – 8.

There are a number of significant differences between the two sets of standards, including:

- A new definition of control and joint control (including a link between power and benefits).
 - New classifications of joint arrangements (joint ventures and joint operations). Specifically, the previous jointly controlled assets (Joint ventures with Porirua City Council) are now classed as joint operations and Wellington Water Limited, previously a jointly controlled entity, is now a joint venture. There has been no resulting change to the Council and Group's methods of accounting for the respective joint arrangements.
 - Proportionate consolidation is no longer permitted for those joint arrangements that are classified as joint ventures. No resulting change for Council or the Group as the equity method of accounting was already used for the interest in Wellington Water Limited.
 - Additional disclosure requirements including more detailed disclosure of financial category totals and reconciliation between the recorded equity accounted value and the percentage of investment in the entity.
- In November 2018, the XRB issued 2018 Omnibus amendments to PBE standards. These amendments are largely effective for periods beginning on or after 1 January 2019. Included in the Omnibus were amendments to PBE IPSAS 2 *Cash Flow Statements* effective for annual financial statements covering periods beginning on or after 1 January 2021 and these amendments are not yet adopted. There are no significant accounting implications for Council and the Group.

Significant standards, amendments and interpretations issued but not yet effective and not early adopted

Significant standards, amendments and interpretations issued but not yet effective and not early adopted which are relevant to the Group are:

- In January 2017, the XRB also issued *PBE IFRS 9 Financial Instruments* to replace *PBE IPSAS 29 Financial Instruments: Recognition and Measurement*. With an effective date for annual periods beginning on or after 1 January 2021, but with early adoption permitted, the intention is not to adopt at this stage while the effects on Council and the Group are more thoroughly assessed. The main changes under *PBE IFRS 9* are:
 - New financial asset classifications requirements for determining whether an asset is measured at fair value or amortised cost.
 - A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
 - Revised hedge accounting requirements to better reflect the management of risks.
- Included in the 2018 Omnibus were amendments to PBE IPSAS 2 *Cash Flow Statements* effective for annual financial statements covering periods beginning on or after 1 January 2021.
- In March 2019, the XRB subsequently issued Effective date of PBE IFRS 9, which delayed the effective date out to 1 January 2022.
- In March 2019, the XRB issued PBE IPSAS 41 *Financial Instruments*, with an effective date for reporting periods after 1 Jan 2022. This new standard supersedes most of PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. PBE IPSAS 41 also supersedes PBE IFRS 9 *Financial Instruments* above.

- *In November 2019, the XRB issued PBE FRS 48 Service Performance Reporting, with an effective date of 30 June 2022, for periods beginning on or after 1 January 2021. The objective of this Standard is to establish principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report.*

The Council and group have not yet assessed the effects of the new standards.

Judgements and estimations

The preparation of financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the 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.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables, recoverables 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.

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 controlled entities 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. The Annual Plan figures have been prepared in accordance with GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

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 2019/20 year).

COVID-19 Financial impact

An assessment of the main impacts of COVID-19 on the Council's financial statements is outlined in Table 1 below with reference to the relevant Note to the financial statements for more detailed information.

Table 1: COVID-19 Financial impact Assessment

| Item | Financial impact | \$000 | Note |
|----------------------|--|--------|------|
| Revenue | Lost revenue for facilities being closed and due to initiatives agreed by Council to ease the impact of lockdown on residents and businesses | 13,577 | 2 |
| Rates postponement | Deferral of Quarter 4 rates payment | 2,182 | 1 |
| Remuneration | Teams unable to work during lockdown. Discretionary leave totalling 81,500 hours paid to 738 employees where alternative work was not available. | 1,958 | N/A |
| Employee liabilities | Increase in annual leave liability | 1,529 | 24 |
| Cash flow hedges | Downward trend in interest rates has increased the negative value of the interest rate swap portfolio | N/A | 12 |
| Payment terms | Reduction in payment timeframes from 20 to 5 days | N/A | 21 |
| CCO support | Joint loan facility agreed between Council and Greater Wellington Regional Council for the Wellington Regional Stadium Trust | 2,100 | 34 |
| CCO support | Provision of shareholder support to Wellington International Airport Limited | 25,758 | 34 |
| CCO support | Provision of a 'letter of comfort' to CCOs and additional grant funding of up to \$5.000m for 2020/21 | 5,000 | N/A |
| City recovery fund | Establishment of City Recovery Fund (CRF) being the aggregation of three existing funds (City Growth Fund, the Capital of Culture activity and Destination Wellington) | 2,017 | 30 |
| Revaluations | Valuation reports for investment property and infrastructural assets contain statements around the heightened uncertainty relating to COVID-19 | N/A | 18 |

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2020

| | Note | Council | | | Group | |
|---|------|------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2020 | 2020 | 2019 | 2020 | 2019 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| Revenue | | | | | | |
| Rates | 1 | 322,021 | 325,857 | 309,887 | 322,021 | 309,887 |
| Revenue from operating activities | | | | | - | |
| Development contributions | 2 | 3,566 | 2,000 | 2,897 | 3,566 | 2,897 |
| Grants, subsidies and reimbursements | 2 | 34,095 | 32,367 | 38,496 | 41,975 | 49,217 |
| Other operating activities | 2 | 137,172 | 146,386 | 143,878 | 153,610 | 163,983 |
| Investments revenue | 3 | 23,008 | 25,861 | 25,946 | 10,947 | 12,065 |
| Vested assets and other revenue | 4 | 11,016 | 7,337 | 17,460 | 11,043 | 17,682 |
| Fair value gains | 5 | 7,562 | 8,672 | 18,458 | 7,916 | 18,890 |
| Finance revenue | 6 | 2,280 | 13 | 2,879 | 2,549 | 3,158 |
| Total revenue | | 540,720 | 548,493 | 559,901 | 553,627 | 577,779 |
| Expense | | | | | | |
| Finance expense | 6 | (26,541) | (24,902) | (25,719) | (26,569) | (25,725) |
| Expenditure on operating activities | 7 | (413,966) | (407,555) | (441,928) | (437,042) | (469,849) |
| Depreciation and amortisation expense | 8 | (118,067) | (124,573) | (116,121) | (119,663) | (117,619) |
| Total expense | | (558,574) | (557,030) | (583,768) | (583,274) | (613,193) |
| Operating surplus/ (deficit) before insurance proceeds | | (17,854) | (8,537) | (23,867) | (29,647) | (35,414) |
| Insurance proceeds | 38 | 33,000 | - | - | 33,000 | - |
| Share of equity accounted surplus/(deficit) from associates and joint venture | 9 | - | - | - | 18,838 | 16,332 |
| Net surplus/(deficit) before taxation | | 15,146 | (8,537) | (23,867) | 22,191 | (19,082) |
| Income tax credit/(expense) | 10 | - | - | - | 621 | (187) |
| NET SURPLUS/(DEFICIT) for the year | | 15,146 | (8,537) | (23,867) | 22,812 | (19,269) |
| Net surplus/(deficit) attributable to: | | | | | | |
| Wellington City Council and Group | | 15,146 | (8,537) | (23,867) | 22,528 | (19,553) |
| Non-controlling interest | | - | - | - | 284 | 284 |
| | | 15,146 | (8,537) | (23,867) | 22,812 | (19,269) |

The notes on pages XX to XX form part of and should be read in conjunction with the financial statements

Statement of Comprehensive Revenue and Expense – continued

For the year ended 30 June 2020

| | Refer | Council | | | Group | |
|---|-------------------|----------------|----------------|-----------------|----------------|-----------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2020 | 2020 | 2019 | 2020 | 2019 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| Net surplus/(deficit) for the year | | 15,146 | (8,537) | (23,867) | 22,812 | (19,269) |
| Other comprehensive revenue and expense ¹ | | | | | | |
| <i>Items that will be reclassified to surplus/(deficit)</i> | | | | | | |
| Cash flow hedges: | | | | | | |
| Fair value movement - net | SCIE ² | (38,903) | - | (42,776) | (39,330) | (42,094) |
| Fair value through other comprehensive revenue and expense | | | | | | |
| Fair value movement - net | SCIE | 795 | - | 546 | 772 | 492 |
| <i>Items that will not be reclassified to surplus/(deficit)</i> | | | | | | |
| Non-controlling interest: | | | | | | |
| Movement in non-controlling interest | | - | - | - | - | - |
| Revaluations: | | | | | | |
| Fair value movement - property, plant and equipment - net | SCIE | 493,980 | 204,856 | (3,256) | 493,980 | (3,256) |
| Share of other comprehensive revenue and expense of associates and joint venture | | | | | | |
| Fair value movement - property, plant and equipment - net | SCIE | - | - | - | 9,265 | 4,761 |
| Total other comprehensive revenue and expense | | 455,872 | 204,856 | (45,486) | 464,687 | (40,097) |
| TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year | | 471,018 | 196,319 | (69,353) | 487,499 | (59,366) |
| Total comprehensive revenue and expense attributable to: | | | | | | |
| Wellington City Council and Group | | 471,018 | 196,319 | (69,353) | 487,215 | (59,650) |
| Non-controlling interest | | - | - | - | 284 | 284 |
| | | 471,018 | 196,319 | (69,353) | 487,499 | (59,366) |

1. Other comprehensive revenue or expense is non-cash in nature and only reflects changes in equity.
2. Statement of Changes in Equity – see page XX

The notes on pages XX to XX form part of and should be read in conjunction with the financial statements

Statement of Comprehensive Revenue and Expense - Major budget variations

Significant variations from budgeted revenues and expenses are as follows:

Revenues were \$25.227m higher than budgeted, major variances included:

- \$33.000m insurance proceeds related to CAB not in the budget
- \$3.836m lower rates revenue
- \$9.214m lower operating revenues largely due to the COVID-19 impact on Parking, Venues, swimming pools and recreation centres
- \$ 2.853m lower investment revenues due to COVID-19 related rent relief and a lower than expected airport dividend (\$2.6m)
- \$1.110m lower than expected fair value increase on investment properties
- \$1.566m higher development contributions
- \$3.679m of unbudgeted vested assets of \$7.599m and other gains, offset by non-realised asset sales.
- \$1.728m higher grants, subsidies and reimbursements
- \$2.267m higher interest revenues

Expenses were \$1.544m more than budgeted, major variances included:

- \$1.639m higher finance costs due to increased debt levels
- \$6.411m of increased expenditure on operating activities with significant items being a \$8.102m impairment for the Civic Precinct, and higher personnel and other general costs. Offsetting these were reduced costs associated with various planned programmes of work not being carried out or being delayed
- \$6.506m lower depreciation costs due to an underspend on the capital expenditure programme and the actual timing of assets being capitalised

Net finance expense was \$0.628m lower than budgeted reflecting lower than planned capital expenditure, which being debt funded, resulted in lower interest charges. In addition, the drop in the OCR during the year also lowered overall interest rate costs albeit on a higher level of debt.

Other comprehensive revenue and expense was \$251.016m higher than budgeted, major variances included:

- \$23.683m higher surplus for the year
- \$38.903m of non-budgeted fair value movement in cash flow hedges
- \$289.124m higher than budgeted property, plant and equipment net revaluation

Note 1: Rates revenue

| Table 2: Rates Revenue | Council | | Group | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| General rates | 184,013 | 175,031 | 184,013 | 175,031 |
| Targeted rates | 120,926 | 118,168 | 120,926 | 118,168 |
| Metered water supply | 15,716 | 15,605 | 15,716 | 15,605 |
| Penalties and adjustments | 1,366 | 1,083 | 1,366 | 1,083 |
| TOTAL RATES REVENUE | 322,021 | 309,887 | 322,021 | 309,887 |

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$14.364m (2019: \$14.521m). For the Group, rates of \$14.448m (2019: \$14.604m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held as at 30 June 2019.

The number of rating units: 79,211 (30 June 2018: 78,724).

| Table 3: Value of rating units | 2020 | 2019 |
|-------------------------------------|------------|------------|
| | \$000 | \$000 |
| Total capital value of rating units | 78,630,323 | 56,296,956 |
| Total land value of rating units | 40,454,135 | 23,453,009 |

Rates remissions

Revenue from rates 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 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 targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2020 totalled \$1.278m (2019: \$1.331m).

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.

COVID-19: On 9 April 2020 Council agreed to support both residential and commercial ratepayers by providing the ability to defer the 2019/20 fourth quarter rates instalment, due 1 June 2020, without penalty for six months, provided that the ratepayer was able to meet certain criteria. Table 4 below details the breakdown of the deferrals.

| Table 4: Rates Deferral | Amount deferred |
|-------------------------|-----------------|
| | \$000 |
| Residential | 186 |
| Commercial | 1,996 |
| Total | 2,182 |

Relevant significant accounting policies

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

Note 2: Revenue from operating activities

| Table 5: Revenue from operating activities | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Development contributions | 3,566 | 2,897 | 3,566 | 2,897 |
| Grants, subsidies and reimbursements | | | | |
| Operating | 8,034 | 9,214 | 15,505 | 18,441 |
| Capital | 26,061 | 29,282 | 26,470 | 30,776 |
| Total grants, subsidies and reimbursements | 34,095 | 38,496 | 41,975 | 49,217 |
| Other operating activities | | | | |
| Fines and penalties | 5,981 | 6,285 | 5,981 | 6,285 |
| Rendering of services | 124,160 | 130,740 | 136,080 | 145,758 |
| Sale of goods | 7,031 | 6,853 | 11,549 | 11,940 |
| Total other operating activities | 137,172 | 143,878 | 153,610 | 163,983 |
| TOTAL REVENUE FROM OPERATING ACTIVITIES | 174,833 | 185,271 | 199,151 | 216,097 |

For the Council, the principal grants and reimbursements are from the New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading and cycling infrastructure. The capital reimbursements recognised from NZTA of \$25.414m (2019: \$29.331m) and operating reimbursements of \$7.616m (2019: \$7.983m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.

For revenue from other operating activities of Council, the main services provided were:

- City housing - \$26.470m (2019: \$23.310m)
- Parking fees and permits - \$20.326m (2019: \$22.067m)
- Landfill operations and recycling - \$16.328m (2019: \$13.422m) – including unbudgeted revenue from the joint operations with Porirua City Council \$1.693m (2019: \$1.780m).
- Consents and licensing services - \$13.551m (2019: \$15.609m)
- Convention and conferences centres – \$8.460m (2019: \$13.037)

see *Figure 2* for a five-year trend analysis of these major revenue streams.

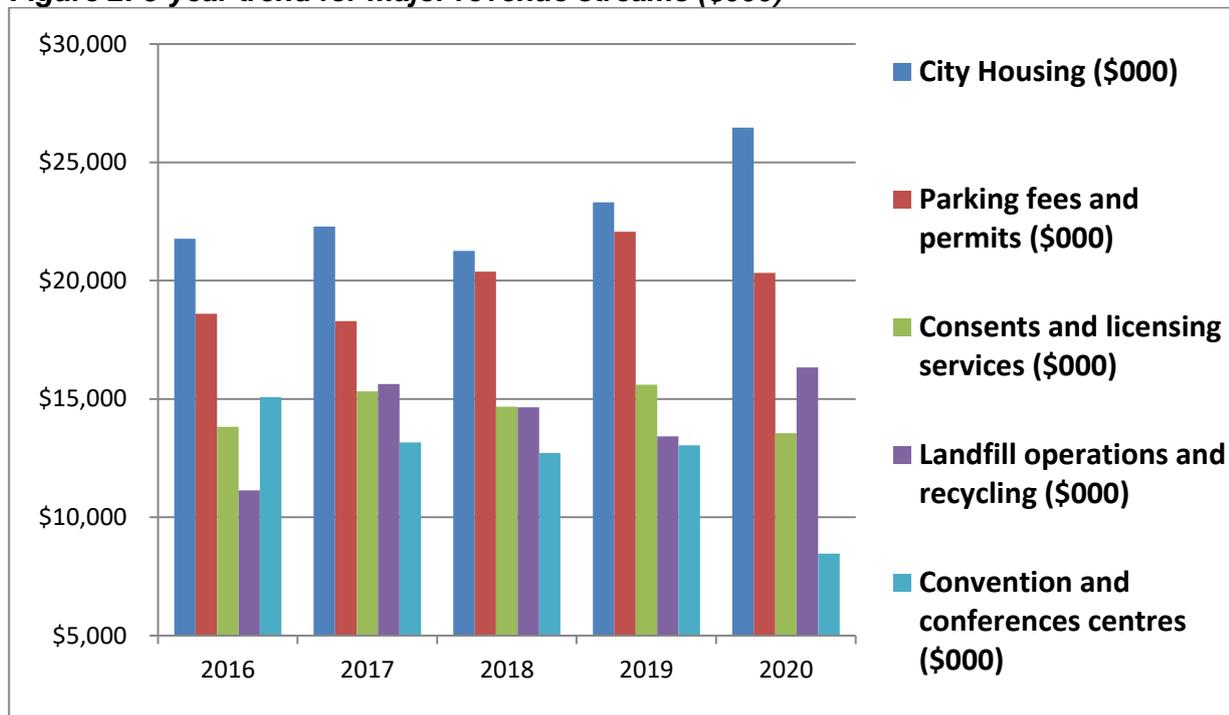
COVID-19: Revenue impacts

The COVID-19 lockdown had an impact on the Council's non-rates revenue for the year ending 30 June 2020. This impact was both due to lost revenue for facilities being closed but also due to initiatives agreed by Council to ease the impact of lockdown on residents and businesses. These initiatives included reducing alcohol and food licence fees, providing a rebate for pavement

licence holders and freezing swimming pool and council gym membership costs for the duration of the lockdown.

Of the major revenue streams in Figure 2, City Housing and Landfill Operations revenues continued to increase year on year, while Parking, Consents and Venues all had a decrease compared to the previous year and budget, primarily due to the impact of COVID-19.

Figure 2: 5-year trend for major revenue streams (\$000)



5-year Trend analysis

City Housing – Due to annual rent increases, in line with market movements, revenues have generally increased over time considering some loss of rent during the upgrade project in earlier years. Revenue also improved during the 2019-20 year due to the lease agreement with Kainga Ora for Te Mara (previously Arlington 2).

Parking fees and permits – Revenue was tracking favourably in line with the trend from previous years and with the current budget before the COVID-19 lockdown. Free parking during the lockdown period impacted on the final result for the 2019-20 year.

Consents and licensing services – Revenue has been relatively consistent over the 5-year period except for a decline in the 2019/20 year which was driven by the impacts of COVID-19. Revenue was tracking close to the budget up until February.

Landfill operations and recycling – Revenue increased following the Kaikoura earthquake in 2016 with subsequent building demolitions and clearances. Additional revenue for contaminated and special waste from city and regional projects has maintained the high revenue levels.

Convention and conference centres – Revenues were slightly lower considering the longer-term lower levels due to previous closures of the St. James Theatre and the Michael Fowler Centre car park. However, with the COVID-19 impact of next to no events being able to be held revenues dropped dramatically in the last quarter of the 2019-20 year.

Relevant significant accounting policies

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below market prices or at fees and user charges subsidised by rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

See Note 13: Receivables and recoverables (page XX), for an explanation of exchange and non-exchange transactions, transfers and taxes.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide the service, development contributions are recognised as liabilities.

Grants, subsidies and reimbursements

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all 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. NZ Transport Agency roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Fines and penalties

Revenue from fines and penalties (eg. traffic and parking infringements and library overdue book fines) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. In particular the fair value of parking related fines is determined based on the probability of collecting fines considering previous collection history and a discount for the time value of money.

Rendering of services

Revenue from the rendering of services (eg. 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. Some rendering of services are provided at a market rate or on a full cost recovery basis (eg. Parking fees) and these are classified as exchange.

Sale of goods

The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

Note 3: Investment revenue

| Table 6: Investment revenue | Council | | Group | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Dividend from associates | 12,061 | 13,881 | - | - |
| Dividend from equity investments | 86 | 537 | 86 | 537 |
| Investment property revenues | 10,861 | 11,528 | 10,861 | 11,528 |
| TOTAL INVESTMENT REVENUE | 23,008 | 25,946 | 10,947 | 12,065 |

Dividends

The dividend from associates was from Council's 34 percent holding in Wellington International Airport Limited.

The higher equity investment dividend received in 2018/19 was largely the \$0.441m from Civic Financial Services Limited, following the sale of its building, Civic Assurance House.

The Council continues to maintain its current level of investment as it considers the dividend stream adds diversity to normal rates revenue. The investment portfolio is presently maintained as it is strategically, financially and economically prudent to do so.

For further information refer to Note 20: Investment in associates and joint venture (page XX).

Investment properties

The revenues from investment properties are primarily from ground leases around the CBD and on the waterfront. The Council periodically reviews its continued ownership of investment properties by assessing the benefits against other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership and in terms of the most financially viable method of achieving the delivery of Council services.

For further information refer to Note 17: Investment properties (page XX).

Relevant significant accounting policies

Dividends

Dividends from equity investments are recognised when the Council's right to receive payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished

Note 4: Vested assets and other revenue

| Table 7: Vested assets and other revenue | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Vested assets | 7,599 | 13,411 | 7,609 | 13,411 |
| Other revenue | 3,417 | 4,049 | 3,434 | 4,271 |
| TOTAL VESTED ASSETS AND OTHER REVENUE | 11,016 | 17,460 | 11,043 | 17,682 |

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. Although vested assets are non-cash in nature and represent a future obligation to the Council, as the Council will have the on-going costs associated with maintaining the assets, they are recognised as revenue in accordance with the applicable accounting standard.

The breakdown of principal vested assets received is:

- Drainage, waste and water - \$4.362m (2019: \$8.082m).
(The 2018/19 amount included \$3.161m from the Crown in relation to emergency water stations to add to the resilience of the city.)
- Roading - \$2.453m (2019: \$4.148m)
- Carbon credits - \$0.785m (2019: \$0.047m)

Other revenue consisted of:

- Gains on disposal of assets - \$1.431m (2019: \$0.316)
- Capital expenditure recovered - \$1.114m (2019: \$2.011m)
- Fuel tax - \$0.999m (2019: \$1.139m)

Relevant significant accounting policies

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings (ie. Sale proceeds in excess of the book value) on the disposal of property, plant and equipment.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (eg. 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.

Note 5: Fair value movements

| Table 8: Fair value movements | Council | | Group | |
|--|--------------|---------------|--------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Investment property revaluation | 7,558 | 18,454 | 7,558 | 18,454 |
| Amortisation of loans to related parties | 4 | 4 | 11 | 10 |
| Fair value gain on investments | - | - | 347 | 426 |
| TOTAL FAIR VALUE MOVEMENTS | 7,562 | 18,458 | 7,916 | 18,890 |

Investment properties, which are revalued annually, are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain lands and buildings, including the Wellington Waterfront investment properties. For more information refer to Note 17: Investment properties (page XX).

Relevant significant accounting policies

Gains

Gains include increases on the revaluation of investment property and in the fair value of financial assets and liabilities.

Investment properties

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Derivatives

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 / (deficit) for the year.

Note 6: Finance expense

| Table 9: Finance expense and net finance cost | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Interest on borrowings | 25,391 | 25,056 | 25,413 | 25,060 |
| Interest on finance leases | - | - | 6 | 2 |
| Re-discounting of interest on provisions | 1,150 | 663 | 1,150 | 663 |
| TOTAL FINANCE EXPENSE | 26,541 | 25,719 | 26,569 | 25,725 |
| Less | | | | |
| Finance revenue - interest earned | 2,280 | 2,879 | 2,549 | 3,158 |
| NET FINANCE COST | 24,261 | 22,840 | 24,020 | 22,567 |

A decline in interest rates during the year, as a result of two reductions in the Official Cash Rate (OCR) totalling 1.25 percent, has reduced average borrowing costs. These savings were offset by additional interest incurred on a higher level of gross borrowings.

Council's policy is to have the majority of borrowings on fixed interest rates to avoid volatility in its interest expense as interest rates change. To achieve this, it uses interest rate swaps, which effectively changes floating rate debt to fixed rate debt.

Returns on investment deposits are also market related so have reduced accordingly as interest rates have fallen.

Relevant significant accounting policies

Interest on borrowings

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Re-discounting of interest

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 24: Employee benefit liabilities and provisions (page XX) and Note 25: Provision for other liabilities (page XX).

Interest earned

Interest earned is recognised using the effective interest rate method.

Note 7: Expenditure on operating activities

| Table 10: Expenditure on operating activities | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Governance and employment | | | | |
| Elected member remuneration | 1,803 | 1,649 | 1,803 | 1,649 |
| Independent directors/trustees fees for controlled entities | - | - | 438 | 451 |
| Employee benefits expense: | | | | |
| - Remuneration | 102,372 | 92,056 | 131,229 | 119,804 |
| - Superannuation contributions (including KiwiSaver) | 2,938 | 2,701 | 3,558 | 3,321 |
| Other personnel costs | 4,380 | 4,501 | 5,407 | 5,374 |
| Impairments | | | | |
| Bad debts written off not previously provided for | 6 | 132 | 13 | 136 |
| Increase in provision for impairment of receivables and recoverables | 293 | 497 | 293 | 497 |
| Impairment of property, plant and equipment | 10,183 | 50,603 | 10,183 | 50,603 |
| Impairment of investments | - | 49 | - | 95 |
| Insurance | | | | |
| Insurance premiums | 17,017 | 15,528 | 17,643 | 16,105 |
| Insurance reserve costs - net | 688 | 1,709 | 688 | 1,709 |
| General | | | | |
| Administration Costs | 5,586 | 6,269 | 16,272 | 20,373 |
| Auditor's remuneration: | 319 | 461 | 626 | 733 |
| Contractors | 4,198 | 4,633 | 6,485 | 7,728 |
| Contracts, services and materials | 150,862 | 147,962 | 151,898 | 149,466 |
| Grants | 42,711 | 38,516 | 15,849 | 13,193 |
| Information and communication technology | 16,681 | 16,336 | 17,738 | 17,343 |
| Loss on disposal of intangibles | 2 | 225 | 2 | 225 |
| Loss on disposal of property, plant and equipment | 776 | 766 | 878 | 833 |
| Loss on investments | - | - | 296 | - |
| Operating lease - minimum lease payments | 7,056 | 4,460 | 8,179 | 5,672 |
| Professional costs | 10,795 | 20,856 | 11,315 | 21,446 |
| Reassessment of weathertight provision | 4,622 | 2,794 | 4,622 | 2,794 |
| Utility costs | 30,678 | 29,225 | 31,627 | 30,299 |
| TOTAL EXPENDITURE ON OPERATING ACTIVITIES | 413,966 | 441,928 | 437,042 | 469,849 |

Governance and employment

Governance costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members and also to directors appointed to boards of controlled entities.

Employment costs relate to the remuneration paid directly to staff, other employee benefits such as KiwiSaver and other associated costs such as recruitment and training.

During the year \$0.947m (2019: \$0.684m) of termination benefits were incurred by the Council and \$0.995m (2019: \$0.945m) by the Group. Termination benefits include all payments relating to the end of employment other than unpaid salary and leave entitlements. Termination benefits include both contractual (eg redundancy, in lieu of notice) and non-contractual (eg severance) payments.

For further information refer to Note 37: Remuneration and staffing levels (page XX)

Impairments

The main impairments for the current year are within the Civic Precinct, largely the Municipal Office Building (MOB) - \$2.180m and the Town Hall - \$4.943m. For the previous year the impairments were also mainly due to the Civic Precinct. For more detailed information on these impairments see Note 18: Property, plant and equipment (page XX).

General

| Table 11: Auditors' remuneration: | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Audit services - Audit New Zealand - Financial Statements | 306 | 301 | 538 | 499 |
| Audit services - Audit New Zealand - LTP and LTP Amendment | - | 148 | - | 148 |
| Audit services - Audit New Zealand - other | 13 | 12 | 13 | 12 |
| Audit services - Other Auditors | - | - | 75 | 74 |
| Total auditors' remuneration | 319 | 461 | 626 | 733 |

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 and assurance services relating to Council's debenture trust deed compliance (see *Table 11* above).

Direct costs are costs directly attributable to the rendering of Council services, including contracts, maintenance, management fees, materials and services.

Grants include the operating grants to Council's controlled entities (refer to Note 36: Related Party disclosures for a breakdown (page XX)). Other major grants include the funding to the Museum of New Zealand, Te Papa Tongarewa \$2.250m (2019: \$2.250m).

Operating lease minimum lease payments are for non-cancellable agreements for the use of office or other spaces in buildings.

For further information in relation to the Weathertight homes provision. Refer to Note 25: Provisions for other liabilities (page XX).

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates and water meter charges of \$14.364m (2019: \$14.521m) on Council owned properties.

COVID-19: Expenditure impacts

The COVID-19 lockdown impacted the Council's expenditure for the 2019/20 year. This did result in cost savings in some areas, for example in events that did not occur, and there were some cost savings for utilities (electricity and gas) where facilities were closed. There was some additional expenditure incurred such as additional grants being provided, costs for 'Keep Left' street decals, street closures, messaging around parking changes and some other contract variations.

The Council had a number of teams that could not work during Alert Levels 3 and 4 as some services and facilities were not available or deemed to be essential services. For staff that were unable to work the Council looked for alternative work options including redeployment, online training and providing online services to customers. If the Council was unable to provide staff with work, it provided paid discretionary leave for their ordinary hours.

For the year ending 30 June 2020, 738 out of 1,815 employees were provided paid discretionary leave for being unable to perform their normal duties totalling 81,500 hours and \$1.958m.

Relevant significant accounting policies

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg. cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations 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.

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

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.

Note 8: Depreciation and amortisation

| Table 12: Depreciation and amortisation | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Depreciation | | | | |
| Buildings | 29,967 | 30,938 | 30,135 | 31,091 |
| Civic Precinct | 1,411 | 2,732 | 1,411 | 2,732 |
| Restricted buildings | 1,650 | 1,578 | 1,650 | 1,578 |
| Drainage, waste and water infrastructure | 36,227 | 35,512 | 36,227 | 35,512 |
| Landfill post closure | 272 | 12 | 272 | 12 |
| Library collections | 2,387 | 2,142 | 2,387 | 2,142 |
| Plant and equipment | 11,445 | 9,909 | 12,745 | 11,145 |
| Road infrastructure | 31,156 | 29,569 | 31,156 | 29,569 |
| Total depreciation | 114,515 | 112,392 | 115,983 | 113,781 |
| Amortisation | | | | |
| Computer software | 3,552 | 3,729 | 3,680 | 3,838 |
| Total amortisation | 3,552 | 3,729 | 3,680 | 3,838 |
| TOTAL DEPRECIATION AND AMORTISATION | 118,067 | 116,121 | 119,663 | 117,619 |

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).

Relevant significant accounting policies

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. (See Table 13)

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Amortisation

The amortisation of intangible assets is charged on a straight-line basis over the estimated useful life of the associated assets. (See Table 14)

| Table 13: Estimated useful lives of tangible assets | 2020 |
|---|---------------------|
| | Useful Life (years) |
| Asset Category | |
| Land | unlimited |
| Buildings | 2 - 150 |
| Civic Precinct | 2 - 67 |
| Plant and equipment | 1 - 296 |
| Library collection | 4 - 11 |
| Restricted assets (excluding buildings) | unlimited |
| Infrastructure assets: | |
| Land (including land under roads) | unlimited |
| Roading | 2 - 266 |
| Drainage, waste and water | 7 - 402 |

The 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.

| Table 14: Estimated useful lives of intangible assets | 2020 |
|---|---------------------|
| | Useful Life (years) |
| Asset Category | |
| Computer software | 2 - 11 |

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.

Note 9: Share of associates' and joint venture's surplus or deficit

The Council's share of the results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is as shown in Table 15.

| Table 15: Share of associates' and joint venture's surplus or (deficit) | Group | |
|--|---------------|---------------|
| | 2020 | 2019 |
| | \$000 | \$000 |
| Associates | | |
| Chaffers Marina Holdings Limited | (45) | (6) |
| Wellington International Airport Limited | 18,983 | 16,327 |
| Joint venture | | |
| Wellington Water Limited | (100) | 11 |
| TOTAL SHARE OF ASSOCIATES' AND JOINT VENTURE'S SURPLUS OR (DEFICIT) | 18,838 | 16,332 |

Further information on the cost and value of the above investments is found in Note 20: Investments in Associates and Joint Venture (page XX).

COVID-19: Due to the balance date of Wellington International Airport Limited (WIAL) being 31 March 2020, no significant financial impacts due to COVID-19 are reflected in the share of their surplus. Council also agreed to underwrite its share of a potential equity raising. For more information refer to Note 34: Contingent liabilities (page XX).

Relevant significant accounting policies

Associates are entities where the Council has significant influence over their operating and financial policies, but they are not controlled entities or joint ventures. 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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In the Council financial statements, the investments in joint ventures are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.

Note 10: Income tax

| Table 16: Income Tax | Council | | Group | |
|--|----------|----------|--------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Current tax expense/(credit) | | | | |
| Current year | - | - | (232) | 132 |
| Prior period adjustment | - | - | - | (99) |
| Total current tax expense/(credit) | - | - | (232) | 33 |
| Deferred tax expense/(credit) | | | | |
| Origination and reversal of temporary differences | (15) | 3 | (389) | 154 |
| Change in unrecognised temporary differences | - | (3) | - | - |
| Recognition of previously unrecognised tax losses | 15 | - | - | - |
| Total deferred tax expense/(credit) | - | - | (389) | 154 |
| TOTAL INCOME TAX EXPENSE/(CREDIT) | - | - | (621) | 187 |
| Reconciliation of tax on the surplus/(deficit) and tax expense/(credit) | | | | |
| | | | | |
| | | | | |
| Surplus/(deficit) for the period before taxation | 15,146 | (23,867) | 22,191 | (19,082) |
| Prima facie income tax based on domestic tax rate - 28% | 4,241 | (6,683) | 6,214 | (5,343) |
| Effect of non-deductible expenses and tax exempt income | (4,256) | 6,683 | (8,749) | 4,610 |
| Current years loss for which no deferred tax asset was recognised | 15 | 3 | 15 | 104 |
| Recognition of prior year loss | - | - | - | 3 |
| Previously unrecognised tax losses now utilised | - | - | - | - |
| Change in unrecognised temporary differences | - | - | 10 | (84) |
| Prior period adjustment | - | (3) | - | (103) |
| Reintroduction of tax depreciation on buildings | - | - | (129) | - |
| Overseas withholding tax non-reclaimable | - | - | 6 | - |
| Share of income tax of equity accounted associates | - | - | 2,012 | 1,000 |
| Under/(over) provision of income tax in previous period | - | - | - | - |
| TOTAL INCOME TAX EXPENSE/(CREDIT) | - | - | (621) | 187 |
| Imputation credits | | | | |
| | | | | |
| | | | | |
| Imputation credits available in subsequent periods | | | 587 | 281 |

Relevant significant accounting policies

Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council-controlled trading organisations. Other members of the Group are subject to normal taxation unless they have tax exempt status as charitable trusts.

Income tax expense includes components relating to both current tax 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

Statement of Financial Position

As at 30 June 2020

| | Note | Council | | | Group | |
|--|------|------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2020 | 2020 | 2019 | 2020 | 2019 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 11 | 98,577 | 130,660 | 135,246 | 113,285 | 149,089 |
| Receivables and recoverables | 13 | 95,467 | 54,581 | 53,962 | 96,888 | 55,911 |
| Other financial assets | 14 | 31,488 | - | 9,320 | 33,488 | 10,570 |
| Prepayments | | 8,717 | 22,130 | 18,203 | 9,675 | 19,387 |
| Inventories | | 1,549 | 1,617 | 998 | 2,248 | 1,386 |
| Non-current assets classified as held for sale | 15 | 6,415 | - | 19,744 | 6,415 | 19,744 |
| Total current assets | | 242,213 | 208,988 | 237,473 | 261,999 | 256,087 |
| Non-current assets | | | | | | |
| Other financial assets | 14 | 16,131 | 14,667 | 14,844 | 17,976 | 16,983 |
| Intangibles | 16 | 25,714 | 26,709 | 25,204 | 25,828 | 25,458 |
| Investment properties | 17 | 258,515 | 263,740 | 255,478 | 258,515 | 255,478 |
| Property, plant and equipment | 18 | 7,809,894 | 7,566,684 | 7,223,566 | 7,825,777 | 7,239,892 |
| Investment in controlled entities | 19 | 5,071 | 5,998 | 5,071 | - | - |
| Investment in associates and joint venture | 20 | 19,033 | 19,465 | 19,465 | 210,956 | 195,773 |
| Total non-current assets | | 8,134,358 | 7,897,263 | 7,543,628 | 8,339,052 | 7,733,584 |
| TOTAL ASSETS | | 8,376,571 | 8,106,251 | 7,781,101 | 8,601,051 | 7,989,671 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Derivative financial liabilities | 12 | 709 | - | 985 | 709 | 985 |
| Exchange transactions and transfers payable | 21 | 57,417 | 63,734 | 65,366 | 60,404 | 70,452 |
| Taxes payable | 21 | 8,185 | - | 6,599 | 8,458 | 6,780 |
| Revenue in advance | 22 | 14,302 | 15,277 | 14,073 | 19,333 | 17,395 |
| Borrowings | 23 | 186,000 | 126,000 | 125,039 | 186,028 | 125,068 |
| Employee benefit liabilities and provisions | 24 | 10,361 | 9,528 | 7,692 | 12,873 | 9,735 |
| Provision for other liabilities | 25 | 9,002 | 11,546 | 10,890 | 9,002 | 10,890 |
| Total current liabilities | | 285,976 | 226,085 | 230,644 | 296,807 | 241,305 |
| Non-current liabilities | | | | | | |
| Derivative financial liabilities | 12 | 106,332 | 62,495 | 67,153 | 106,332 | 67,153 |
| Exchange transactions and transfers payable | 21 | 231 | - | 231 | 231 | 231 |
| Borrowings | 23 | 589,931 | 676,962 | 563,917 | 589,951 | 563,965 |
| Employee benefit liabilities and provisions | 24 | 764 | 1,227 | 782 | 824 | 849 |
| Provision for other liabilities | 25 | 52,154 | 32,129 | 48,209 | 52,154 | 48,209 |
| Deferred tax | 26 | - | - | - | 308 | 1,014 |
| Total non-current liabilities | | 749,412 | 772,813 | 680,292 | 749,800 | 681,421 |
| TOTAL LIABILITIES | | 1,035,388 | 998,898 | 910,936 | 1,046,607 | 922,726 |

The notes on pages XX to XX form part of and should be read in conjunction with the financial statements

Statement of Financial Position – continued

| | Note | Council | | | Group | |
|--|------|------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2020 | 2020 | 2019 | 2020 | 2019 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| EQUITY | | | | | | |
| Accumulated funds | | 1,269,134 | 1,269,134 | 1,269,134 | 1,293,162 | 1,293,162 |
| Retained earnings | | 3,809,762 | 3,835,960 | 3,795,806 | 3,821,257 | 3,799,312 |
| Revaluation reserves | 27 | 2,348,061 | 2,045,106 | 1,854,208 | 2,520,701 | 2,017,583 |
| Hedging reserve | 28 | (107,041) | (62,495) | (68,138) | (107,087) | (67,757) |
| Fair value through other comprehensive revenue and expense reserve | 29 | 5,085 | 3,744 | 4,290 | 6,100 | 5,328 |
| Non-controlling interest | | - | - | - | 284 | 284 |
| Restricted funds | 30 | 16,182 | 15,904 | 14,865 | 20,027 | 19,033 |
| TOTAL EQUITY | | 7,341,183 | 7,107,353 | 6,870,165 | 7,554,444 | 7,066,945 |
| TOTAL EQUITY AND LIABILITIES | | 8,376,571 | 8,106,251 | 7,781,101 | 8,601,051 | 7,989,671 |

Statement of Financial Position - Major budget variations

Significant variations from budget are as follows:

Current assets are \$33.225m higher than budgeted, major variances included:

- \$32.083 lower Cash and cash equivalents, largely due to \$30.000m of investment deposits having terms longer than three months.
- \$40.886m higher Receivables and recoverables, partly due to the deferred payments for rates instalment 4 due 1 June 2020 (\$2.182m), and other debtors due to the COVID-19 impact. In addition, there was also \$33.000m insurance recoveries related to CAB recognised in 2019/20 plus a \$2.438m delayed refund of GST which would normally be received in June but was not received until July 2020.
- \$31.488m higher Other financial assets, largely due to \$30.000m of investment deposits having terms longer than three months
- \$13.413m of lower prepayments due to delays in the issuing of invoices for the significant insurance policies normally paid in June.
- \$6.415m of Non-current assets classified as held for sale, which were not budgeted

Non-current assets are \$237.095m higher than budget, major variances included:

- \$5.225m lower increase in Investment property revaluations
- \$243.210m net increase in Property, plant and equipment assets due to a \$289.124m higher than budgeted revaluation offset by lower than planned capital expenditure and depreciation

Total liabilities are \$36.490m higher than budget, major variances included:

- \$44.546m, relating to derivative financial liabilities which are not budgeted for.
- \$17.481m, relating to the provision for other liabilities due to timing differences and changes in discount rates for the Weathertight homes and Landfill provisions.
- \$27.031m of lower borrowings due to less than budgeted capital expenditure being completed.

Note 11: Cash and cash equivalents

| Table 17: Cash and cash equivalents | Council | | Group | |
|---|---------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Cash at bank | 23,561 | 2,229 | 34,821 | 12,201 |
| Cash on hand | 16 | 17 | 37 | 34 |
| Short term bank deposits up to 3 months | 75,000 | 133,000 | 78,427 | 136,854 |
| TOTAL CASH AND CASH EQUIVALENTS | 98,577 | 135,246 | 113,285 | 149,089 |

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

The high bank balance for 2020 reflects significant cash flows to occur immediately after balance date.

Council holds short term deposits as part of its overall liquidity risk management programme. This programme 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 12: Derivative financial instruments

| Table 18: Derivative financial instruments | Council | | Group | |
|--|----------------|---------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Interest rate swaps - cash flow hedges | 709 | 985 | 709 | 985 |
| Total current liabilities | 709 | 985 | 709 | 985 |
| Non-current liabilities | | | | |
| Interest rate swaps - cash flow hedges | 106,332 | 67,153 | 106,332 | 67,153 |
| Total non-current liabilities | 106,332 | 67,153 | 106,332 | 67,153 |
| TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES | 107,041 | 68,138 | 107,041 | 68,138 |

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.

Interest rate swaps (Cash flow hedges) are used to fix interest rates on floating rate debt (floating rate notes or commercial paper). The swaps are held until maturity and have no cash impact or effect on the rates requirements.

For further information on the Council's interest rate swaps please refer to Note 28: Hedging Reserve (page XX) and Note 32: Financial instruments (page XX).

COVID-19: The continued downward trend in interest rates has increased the negative value of the swap portfolio. This supports Council's original decision to undertake hedge accounting,

meaning that any valuation movements do not go through surplus or deficit, but remains within a hedging reserve within equity until the swaps mature and the associated values moves to nil.

Relevant significant accounting policies

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 revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

Note 13: Receivables and recoverables

| Table 19: Receivables and recoverables | Council | | Group | |
|--|----------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Current | 95,467 | 53,962 | 96,888 | 55,911 |
| Non-Current | - | - | - | - |
| TOTAL RECEIVABLES AND RECOVERABLES - NET | 95,467 | 53,962 | 96,888 | 55,911 |
| Receivables and recoverables | Council | | Group | |
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Trade receivables and recoverables - debtors - net | 16,121 | 17,684 | 16,367 | 17,671 |
| Trade recoverables - fines - net | 3,424 | 3,782 | 3,424 | 3,782 |
| Accrued revenue | 12,214 | 10,692 | 12,756 | 11,652 |
| Sundry receivables | 36,204 | 4,075 | 36,543 | 4,641 |
| GST recoverable | 10,321 | 6,121 | 10,615 | 6,557 |
| Rates recoverable | 17,183 | 11,608 | 17,183 | 11,608 |
| TOTAL RECEIVABLES AND RECOVERABLES - NET | 95,467 | 53,962 | 96,888 | 55,911 |

Current trade, rates and sundry receivables and recoverables are non-interest bearing and receipt is generally on 30-day terms, therefore the carrying value approximates their fair value. The increase in Sundry receivables largely relates to the \$33.000m insurance settlement. For more information refer to Note 38: Events after the end of the reporting period (page XX).

| Table 20: Receivables and recoverables from related parties | Council | | Group | |
|--|----------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Receivables and recoverables from related parties | | | | |
| - Controlled entities | 394 | 1,113 | - | - |
| - Associates and jointly controlled entity | 359 | 212 | 359 | 212 |
| Total receivables and recoverables from related parties | 753 | 1,325 | 359 | 212 |

The movement in the provision for impairment of total receivables and recoverables is analysed as follows in *Table 21*.

| Table 21: Provision for impairment of total receivables and recoverables | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 6,838 | 6,952 | 6,838 | 6,952 |
| New provisions made | 345 | 497 | 374 | 497 |
| Release of unused provision | (145) | (565) | (145) | (565) |
| Amount of provision utilised | (39) | (46) | (39) | (46) |
| Provision for impairment of total receivables and recoverables - closing balance | 6,999 | 6,838 | 7,028 | 6,838 |

The ageing profile of total net receivables and recoverables at the reporting date is as follows in *Table 22*.

| Table 22: Debt aging profile | 2020 | | | 2019 | | |
|---|----------------|----------------|---------------|---------------|----------------|---------------|
| | Gross | Impaired | Net | Gross | Impaired | Net |
| Council | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Trade and other receivables and recoverables | | | | | | |
| Not past due | 70,964 | (69) | 70,895 | 35,504 | (223) | 35,281 |
| Past due 0-3 months | 11,012 | (52) | 10,960 | 7,219 | (62) | 7,157 |
| Past due 3-6 months | 6,091 | (308) | 5,783 | 4,312 | (250) | 4,062 |
| Past due more than 6 months | 14,399 | (6,570) | 7,829 | 13,765 | (6,303) | 7,462 |
| TOTAL RECEIVABLES AND RECOVERABLES | 102,466 | (6,999) | 95,467 | 60,800 | (6,838) | 53,962 |
| Group | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Trade and other receivables and recoverables | | | | | | |
| Not past due | 72,277 | (69) | 72,208 | 37,248 | (223) | 37,025 |
| Past due 0-3 months | 11,121 | (72) | 11,049 | 7,407 | (62) | 7,345 |
| Past due 3-6 months | 6,112 | (317) | 5,795 | 4,328 | (250) | 4,078 |
| Past due more than 6 months | 14,406 | (6,570) | 7,836 | 13,766 | (6,303) | 7,463 |
| TOTAL RECEIVABLES AND RECOVERABLES | 103,916 | (7,028) | 96,888 | 62,749 | (6,838) | 55,911 |

The net receivables and recoverables past due for more than six months primarily relates to fines. Due to their nature, the collection pattern for fines is longer than for trade debtors.

COVID-19: The deferment of certain qualifying rates payments for instalment 4, due 1 June 2020, and the late billing for some metered water rates due to the delayed reading of meters, as a result of lockdown restrictions, contributed to higher rates debt outstanding at the end of the 2019/20 period.

Relevant significant accounting policies

Receivables from exchange transactions

Receivables from exchange transactions arise when the Council is owed by another entity or individual for goods or services provided directly by Council and will receive approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange). Examples of exchange transactions include parking services and metered water rates.

Recoverables from non-exchange transactions

Recoverables from non-exchange transactions arise when the Council is owed value from another party without giving approximately equal value directly in exchange for the value received. Most of the goods or services that Council provide are subsidised by rates revenue and therefore the exchange is unequal. Examples of non-exchange transactions include social housing rentals, parking fines and recreational centre activities. Non-exchange transactions are comprised of either taxes or transfers. Transfers also include grants that do not have specific conditions attached which require return of the grant for non-performance.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Note 14: Other financial assets

| Table 23: Other financial assets | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Represented by: | | | | |
| Current | 31,488 | 9,320 | 33,488 | 10,570 |
| Non-current | 16,131 | 14,844 | 17,976 | 16,983 |
| TOTAL OTHER FINANCIAL ASSETS | 47,619 | 24,164 | 51,464 | 27,553 |
| Comprised of: | | | | |
| Equity investments: | | | | |
| - Civic Financial Services Ltd | 490 | 477 | 490 | 477 |
| - NZ Local Government Funding Agency (LGFA) | 6,938 | 6,156 | 6,938 | 6,156 |
| - Creative HQ shareholdings | - | - | 1,570 | 1,864 |
| - Legacy investment - Wgtn Museums Trust | - | - | 260 | 252 |
| Deposits and loans | | | | |
| Bank deposits - term greater than 3 months | 30,000 | 9,000 | 32,000 | 10,250 |
| LGFA - borrower notes | 10,152 | 8,496 | 10,152 | 8,496 |
| Loans to related parties | 39 | 35 | 39 | 35 |
| Loans to external organisations | - | - | 15 | 23 |
| TOTAL OTHER FINANCIAL ASSETS | 47,619 | 24,164 | 51,464 | 27,553 |

Equity investments

Civic Financial Services Limited is the trading name for the New Zealand Local Government Insurance Corporation Limited. The Council holds a 4.78 percent (2019: 4.78 percent) shareholding in this entity and has no present intention to sell.

The New Zealand Local Government Funding Agency Limited (LGFA), is an alternative debt provider majority owned by and operated for local authorities. The Council holds an 8 percent 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. Refer to Note 36: Related party disclosures, for more information (page XX).

Creative HQ, a controlled entity of Wellington Regional Economic Development Agency Limited (WREDA), has small shareholdings in various incubator and accelerator programme companies. These shares are held until the companies mature or cease operations.

Deposits and loans

Bank deposits

Bank term deposits with maturities greater than 3 months are categorised as investments. These longer-term deposits are largely due to the early borrowing (pre-funding) for future debt repayments and mature in less than 12 months.

Borrower notes

As part of the borrowing arrangements through the LGFA, Council is required to leave 1.6 percent of any debt drawdown with the LGFA, as an investment, in the form of a borrower note. Borrower notes are subordinated convertible debt instruments, which will be repaid with interest to Council, once the related borrowing is repaid or no longer owed to the LGFA. The maturity profile of these notes matches the related debt maturity profile (August 2020 to April 2033).

Loans to related parties

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 shown in Table 24.

| Table 24: Loans | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Loans to related parties | | | | |
| <i>Wellington Regional Stadium Trust (nominal value \$15,394,893)</i> | | | | |
| Opening balance | 35 | 31 | 35 | 31 |
| Amortisation of fair value adjustment | 4 | 4 | 4 | 4 |
| Closing balance at fair value | 39 | 35 | 39 | 35 |
| Loans to other external organisations | | | | |
| Opening balance | - | 244 | 23 | 276 |
| Loan repayments received | - | (244) | (15) | (259) |
| Amortisation of fair value adjustment | - | - | 7 | 6 |
| Closing balance at fair value | - | - | 15 | 23 |
| TOTAL LOANS | 39 | 35 | 54 | 58 |

The fair value movement on loans reflects the timing of their expected repayments and the interest free or other nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value.

Wellington Regional Stadium Trust

Council holds a \$15m limited recourse loan to WRST, which is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished

The amortisation rate applicable to the WRST loan is 12.710 percent.

On maturity of the initial 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. The current expected repayment of the loan and the advance back to the Council, as advised by WRST, is in 2070.

COVID-19: A new joint loan facility between Council and Greater Wellington Regional Council is now available to WRST. For further information in regard to this loan facility refer to Note 34: Contingencies (page XX).

Note 15: Non-current assets classified as held for sale

| Table 25: Non-current assets classified as held for sale | Council | | Group | |
|---|--------------|---------------|--------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 19,744 | - | 19,744 | - |
| Movement of PP&E non-current assets held for sale | (17,429) | 19,744 | (17,429) | 19,744 |
| Transfers from Investment Properties | 4,100 | - | 4,100 | - |
| TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE | 6,415 | 19,744 | 6,415 | 19,744 |

The additions to non-current assets classified as held for sale in 2018/19 were related to the Arlington sites 1 and 3 that were subject to a signed long-term lease to Kāinga Ora (formerly Housing New Zealand) going unconditional in the 2019/20 period. This unconditional status was achieved in March 2020 and for accounting purposes this transaction is treated as a sale.

The significant addition to the classification is Site 9, part of the Kumutoto area, which is expected to be effectively sold for redevelopment in late 2020. Other properties still unsold or expected to sell within the next 12 months are either as a result of road stopping or housing stock that will be re-invested in better suited social housing developments.

Subsequent to 30 June 2020, as part of the Portfolio Alignment Strategy, a workstream of the Strategic Housing Investment Plan (SHIP), Council will consider the divestment of 20 City Housing properties that are surplus to operational requirements. The proceeds from the sale of these underperforming properties will go towards the SHIP development programme.

Relevant significant accounting policies

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.

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 the Group remains committed to sell the asset; and
- actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

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.

Note 16: Intangibles

| Table 26: Intangibles | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Computer software | | | | |
| Cost - opening balance | 59,825 | 59,625 | 60,753 | 60,808 |
| Accumulated amortisation | (42,260) | (38,534) | (42,934) | (39,595) |
| Computer software opening balance | 17,565 | 21,091 | 17,819 | 21,213 |
| Acquired by direct purchase | 4,253 | 203 | 4,307 | 444 |
| Amortisation | (3,552) | (3,729) | (3,680) | (3,838) |
| Net disposals | - | - | (66) | - |
| Total computer software - closing balance | 18,266 | 17,565 | 18,380 | 17,819 |
| Cost | 64,079 | 59,825 | 64,826 | 60,753 |
| Accumulated amortisation | (45,813) | (42,260) | (46,446) | (42,934) |
| Total computer software - closing balance | 18,266 | 17,565 | 18,380 | 17,819 |
| Work in progress | | | | |
| Computer software | 2,149 | 3,543 | 2,149 | 3,543 |
| Total work in progress | 2,149 | 3,543 | 2,149 | 3,543 |
| Carbon credits | | | | |
| Cost - Opening Balance | 4,096 | 2,864 | 4,096 | 2,864 |
| Additions | 2,970 | 1,490 | 2,970 | 1,490 |
| Net disposals | (1,767) | (258) | (1,767) | (258) |
| Total Carbon credits - closing balance | 5,299 | 4,096 | 5,299 | 4,096 |
| TOTAL INTANGIBLES | 25,714 | 25,204 | 25,828 | 25,458 |

Disposals and transfers are reported net of accumulated amortisation.

Carbon credits

As part of the Emissions Trading Scheme (ETS) the Council receives carbon credits from Central Government in recognition of the carbon absorbed by a portion of the Council's green belt. For the year ending 30 June 2020 the Council received 28,367 units (2019: 986).

The Council purchased 62,103 units (2019: 41,800) in the market to cover the expected liabilities associated with landfill operations. While the fixed price payment method was used to meet the Council's ETS obligations for the 2018 calendar year, the Council reverted to the usual method with 85,000 units surrendered in 2020 (2019: Nil) for the 2019 calendar year liability.

A further 16,000 units (2019: 17,000) were purchased to offset sales made to Air New Zealand for them to offer as credits to offset their passenger air miles.

Due to previously over-estimated carbon forest estimates, which are performed 5-yearly, Council was required to repay 40,543 units to the Crown in the 2018/19 year.

During the period ending 30 June 2020, 27,000 units were sold to Air New Zealand.

At 30 June 2020 the total liability relating to landfill carbon emissions is \$1.234m (2019: \$0.928m).

More information on carbon credits can be found in the Statements of Service Provision under activity 2.2: Waste reduction and energy conservation (page XX).

The movement in units held is as shown in Table 27.

| Table 27: Carbon credits | Council | | Group | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 Units | 2019 Units | 2020 Units | 2019 Units |
| Opening balance | 394,360 | 382,017 | 394,360 | 382,017 |
| Additions - Allocated from the Crown | 28,367 | 986 | 28,367 | 986 |
| Additions - Purchases | 78,103 | 58,800 | 78,103 | 58,800 |
| Disposals - Surrendered to the Crown | (85,000) | - | (85,000) | - |
| Disposals - Repayments to the Crown | - | (40,543) | - | (40,543) |
| Disposals - Sales | (27,000) | (6,900) | (27,000) | (6,900) |
| TOTAL CARBON CREDITS | 388,830 | 394,360 | 388,830 | 394,360 |

Relevant significant accounting policies

Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

Typically, the estimated useful life of these assets is between 2 to 11 years.

Carbon Credits

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 allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Gains and losses arising from disposal of intangible assets are recognised within 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.

Note 17: Investment properties

| Table 28: Investment properties | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Ground leases, other land and buildings | | | | |
| Opening balance | 255,012 | 236,485 | 255,012 | 236,485 |
| Additions by acquisition | - | 73 | - | 73 |
| Disposals | - | - | - | - |
| Adjustment | 42 | - | 42 | - |
| Fair value revaluation movements taken to surplus/(deficit) | 7,558 | 18,454 | 7,558 | 18,454 |
| Transfer to non-current assets classified as held for sale | (4,100) | - | (4,100) | - |
| Total ground leases, other land and buildings | 258,512 | 255,012 | 258,512 | 255,012 |
| Work in progress | | | | |
| Other land and buildings | 3 | 466 | 3 | 466 |
| Total work in progress | 3 | 466 | 3 | 466 |
| TOTAL INVESTMENT PROPERTIES | 258,515 | 255,478 | 258,515 | 255,478 |

Wellington City Council's investment properties including the waterfront investment properties were valued as at 30 June 2020 by an independent valuer, William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for CBRE Limited.

The Council's total investment properties comprise ground leases of \$213.757m (2019: \$209.122m) and land and buildings (including work in progress) of \$44.758m (2019: \$46.356m) held for investment purposes.

Investment properties are properties which are held primarily to earn lease revenue and/or for capital growth. These properties include the Council's ground leases and certain land and buildings.

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 leases are charged on a commercial market basis.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the lease 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.

Relevant significant accounting policies

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the lease revenue over the remaining term of the lease and add the residual value of the land at lease expiry.

For sites subject to perpetually renewable leases values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross lease payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

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.

Certain ground leases on the waterfront and within the CBD have, for accounting purposes, been treated as sold assets due to the very long-term nature of the lease and peppercorn rentals.

At a future point in time, prior to the asset being returned to Council ownership, Council will begin to incrementally re-recognise the value of the asset. The amortisation of the estimated future value will reflect the prevalent economic situation and will be more relevant in terms of both the estimated value and materiality.

Note 18: Property, plant and equipment

| Table 29: Summary of property, plant and equipment | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Property, plant and equipment - Opening balance | 7,223,566 | 7,226,974 | 7,239,892 | 7,242,418 |
| Additions | 171,433 | 198,241 | 172,054 | 200,251 |
| Disposals | (14,605) | (4,562) | (14,644) | (4,835) |
| Depreciation expense | (114,515) | (112,392) | (115,983) | (113,781) |
| Impairment losses | (11,371) | (50,603) | (11,371) | (50,603) |
| Revaluation adjustment | (7,643) | - | (7,643) | - |
| Revaluation movement | 501,623 | - | 501,623 | - |
| Movement of non-current assets held for sale | 17,429 | (19,744) | 17,429 | (19,744) |
| Movement of work in progress | 43,977 | (14,348) | 44,420 | (13,814) |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 7,809,894 | 7,223,566 | 7,825,777 | 7,239,892 |

Relevant significant accounting policies

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 Precinct, 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 (for example, land declared as a reserve under the Reserves Act 1977.) The use of the asset may also be restricted such as the donated Basin Reserve land which must be retained for the purposes of providing a cricket and recreation ground with no permitted thoroughfare.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession arrangement assets 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 (eg. 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.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council and Group recognises these assets within these financial statements to the extent their value can be reliably measured.

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 (eg. vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the

asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight-line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

Library Collections

Library collections are valued at depreciated replacement cost on a three-year cycle by the Council's library staff in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets, published by the Treasury Accounting Team, November 2002.

Operational Land & Buildings

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available, land and buildings are valued based on market evidence. The majority of Council's land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.

For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost.

Buildings that comprise the Social Housing portfolio have been valued on market-based approach with the associated land value being established through analysis of sales and market evidence.

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 an independent registered valuer. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (the roading network, water, waste and drainage reticulation networks including service concession arrangement assets (waste water treatment plants)) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer. Infrastructure valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its asset management plans. The costs 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 on a regular basis or, whenever the carrying amount differs materially to fair value, by an independent registered valuer.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50 percent to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Other Assets

Plant and equipment and the Civic Precinct are measured at historical cost and not revalued.

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised.

The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Disposal

Gains and losses 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

Work in progress represents the cost of capital expenditure projects that are not financially complete. The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and is then subject to depreciation.

The movements according to the individual classes of assets are as follows in Table 30.

| Table 30: Property, plant and equipment by class of asset | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Operational assets | | | | |
| Land | | | | |
| Land - at cost - opening balance | 259 | - | 259 | - |
| Land - at valuation - opening balance | 279,611 | 293,414 | 279,611 | 293,414 |
| Total land - opening balance | 279,870 | 293,414 | 279,870 | 293,414 |
| Additions | 1,946 | 259 | 1,946 | 259 |
| Disposals | (12,820) | - | (12,820) | - |
| Transfer between asset classes | 5,315 | - | 5,315 | - |
| Movements of non-current assets held for sale | 12,495 | (13,803) | 12,495 | (13,803) |
| Total land - closing balance | 286,806 | 279,870 | 286,806 | 279,870 |
| Land - at cost - closing balance | 2,205 | 259 | 2,205 | 259 |
| Land - at valuation - closing balance | 284,601 | 279,611 | 284,601 | 279,611 |
| Total land - closing balance | 286,806 | 279,870 | 286,806 | 279,870 |
| Buildings | | | | |
| Buildings - at cost - opening balance | 58,390 | - | 58,390 | - |
| Buildings - at valuation - opening balance | 739,656 | 746,623 | 749,010 | 754,983 |
| Total cost/valuation | 798,046 | 746,623 | 807,400 | 754,983 |
| Accumulated depreciation | (31,145) | - | (36,097) | (4,235) |
| Total buildings - opening balance | 766,901 | 746,623 | 771,303 | 750,748 |
| Additions | 45,910 | 58,390 | 45,920 | 58,829 |
| Depreciation expense | (29,967) | (30,938) | (30,135) | (31,091) |
| Disposals | (872) | (3,697) | (880) | (3,706) |
| Impairment | (3,308) | (53) | (3,308) | (53) |
| Revaluation adjustment | (7,643) | - | (7,643) | - |
| Transfer between asset classes | (152,456) | 1,545 | (152,456) | 1,545 |
| Movements of non-current assets held for sale | 4,312 | (4,969) | 4,312 | (4,969) |
| Total buildings - closing balance | 622,877 | 766,901 | 627,113 | 771,303 |
| Buildings - at cost - closing balance | 104,300 | 58,390 | 104,300 | 58,390 |
| Buildings - at valuation - closing balance | 609,081 | 739,656 | 618,430 | 749,010 |
| Total cost/valuation | 713,381 | 798,046 | 722,730 | 807,400 |
| Accumulated depreciation | (90,504) | (31,145) | (95,617) | (36,097) |
| Total buildings - closing balance | 622,877 | 766,901 | 627,113 | 771,303 |
| Landfill post closure costs ¹ | | | | |
| Landfill post closure - at cost - opening balance | 8,017 | 4,174 | 8,017 | 4,174 |
| Accumulated depreciation | (3,009) | (2,997) | (3,009) | (2,997) |
| Total landfill post closure costs - opening balance | 5,008 | 1,177 | 5,008 | 1,177 |
| Depreciation expense | (272) | (12) | (272) | (12) |
| Movement in post closure costs | (1,403) | 3,843 | (1,403) | 3,843 |
| Total landfill post closure costs - closing balance | 3,333 | 5,008 | 3,333 | 5,008 |
| Landfill post closure - at cost - closing balance | 6,613 | 8,017 | 6,613 | 8,017 |
| Accumulated depreciation | (3,280) | (3,009) | (3,280) | (3,009) |
| Total landfill post closure costs - closing balance | 3,333 | 5,008 | 3,333 | 5,008 |

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.

Table 30 continued

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Civic Precinct | | | | |
| Civic Precinct - at cost - opening balance | 167,043 | 163,833 | 167,043 | 163,833 |
| Accumulated depreciation and impairment | (119,778) | (66,524) | (119,778) | (66,524) |
| Additions | 13,259 | 3,210 | 13,259 | 3,210 |
| Disposals | - | - | - | - |
| Impairment | (8,027) | (50,522) | (8,027) | (50,522) |
| Transfer between asset classes | - | - | - | - |
| Total Civic Precinct- closing balance | 51,086 | 47,265 | 51,086 | 47,265 |
| Civic Precinct - at cost - closing balance | 180,303 | 167,043 | 180,303 | 167,043 |
| Accumulated depreciation and impairment | (129,217) | (119,778) | (129,217) | (119,778) |
| Total Civic Precinct- closing balance | 51,086 | 47,265 | 51,086 | 47,265 |
| Plant and equipment | | | | |
| Plant and equipment - at cost - opening balance | 194,261 | 175,029 | 214,846 | 192,696 |
| Accumulated depreciation | (110,545) | (101,311) | (122,305) | (112,824) |
| Total plant and equipment - opening balance | 83,716 | 73,718 | 92,541 | 79,872 |
| Additions | 22,918 | 21,620 | 23,529 | 23,191 |
| Depreciation expense | (11,445) | (9,909) | (12,745) | (11,145) |
| Disposals | (396) | (303) | (427) | (567) |
| Impairment | (32) | (28) | (32) | (28) |
| Transfer between asset classes | 7,871 | (1,382) | 7,871 | 1,218 |
| Total plant and equipment - closing balance | 102,632 | 83,716 | 110,737 | 92,541 |
| Plant and equipment - at cost | 217,730 | 194,261 | 237,613 | 214,846 |
| Accumulated depreciation | (115,098) | (110,545) | (126,876) | (122,305) |
| Total plant and equipment - closing balance | 102,632 | 83,716 | 110,737 | 92,541 |
| Library collections | | | | |
| Library collections - at cost - opening balance | 4,709 | 2,629 | 4,709 | 2,629 |
| Library collections - at valuation - opening balance | 14,841 | 14,841 | 14,841 | 14,841 |
| Total cost/valuation | 19,550 | 17,470 | 19,550 | 17,470 |
| Accumulated depreciation | (3,909) | (1,767) | (3,909) | (1,767) |
| Total library collections - opening balance | 15,641 | 15,703 | 15,641 | 15,703 |
| Additions | 1,689 | 2,080 | 1,689 | 2,080 |
| Depreciation expense | (2,387) | (2,142) | (2,387) | (2,142) |
| Revaluation movement | 200 | - | 200 | - |
| Total library collections - closing balance | 15,143 | 15,641 | 15,143 | 15,641 |
| Library collections - at cost - closing balance | - | 4,709 | - | 4,709 |
| Library collections - at valuation - closing balance | 15,143 | 14,841 | 15,143 | 14,841 |
| Total cost/valuation | 15,143 | 19,550 | 15,143 | 19,550 |
| Accumulated depreciation | - | (3,909) | - | (3,909) |
| Total library collections - closing balance | 15,143 | 15,641 | 15,143 | 15,641 |
| Total operational assets | 1,081,877 | 1,198,401 | 1,094,218 | 1,211,628 |

- Disposals and transfers are reported net of accumulated depreciation.

Table 30 continued

| | Council | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Infrastructure assets | | | | |
| Drainage, waste and water | | | | |
| Drainage, waste and water - at cost - opening balance | 62,502 | 16,748 | 62,502 | 16,748 |
| Total cost/valuation | 3,035,593 | 2,989,839 | 3,035,593 | 2,989,839 |
| Accumulated depreciation | (1,574,931) | (1,539,435) | (1,574,931) | (1,539,435) |
| Total drainage, water and waste - opening balance | 1,460,662 | 1,450,404 | 1,460,662 | 1,450,404 |
| Additions | 30,521 | 45,754 | 30,521 | 45,754 |
| Depreciation expense | (36,227) | (35,512) | (36,227) | (35,512) |
| Disposals | - | - | - | - |
| Revaluation movement | 404,633 | - | 404,633 | - |
| Transfer between asset classes | 4,209 | 16 | 4,209 | 16 |
| Total drainage, water and waste - closing balance | 1,863,798 | 1,460,662 | 1,863,798 | 1,460,662 |
| Drainage, waste and water - at cost - closing balance | - | 62,502 | - | 62,502 |
| Drainage, waste and water - at valuation - closing balance | 3,947,514 | 2,973,091 | 3,947,514 | 2,973,091 |
| Total cost/valuation | 3,947,514 | 3,035,593 | 3,947,514 | 3,035,593 |
| Accumulated depreciation | (2,083,716) | (1,574,931) | (2,083,716) | (1,574,931) |
| Total drainage, water and waste - closing balance | 1,863,798 | 1,460,662 | 1,863,798 | 1,460,662 |
| Roading | | | | |
| Roading - at cost - opening balance | 93,648 | 33,365 | 93,648 | 33,365 |
| Roading - at valuation - opening balance | 1,451,232 | 1,452,141 | 1,451,232 | 1,454,741 |
| Total cost/valuation | 1,544,880 | 1,485,506 | 1,544,880 | 1,488,106 |
| Accumulated depreciation | (495,053) | (465,735) | (495,053) | (465,735) |
| Total roading - opening balance | 1,049,827 | 1,019,771 | 1,049,827 | 1,022,371 |
| Additions | 52,826 | 60,283 | 52,826 | 60,283 |
| Depreciation expense | (31,156) | (29,569) | (31,156) | (29,569) |
| Disposals | - | (479) | - | (479) |
| Revaluation movement | 90,846 | - | 90,846 | - |
| Transfer between asset classes | 135,567 | (179) | 135,567 | (2,779) |
| Total roading - closing balance | 1,297,910 | 1,049,827 | 1,297,910 | 1,049,827 |
| Roading - at cost - closing balance | - | 93,648 | - | 93,648 |
| Roading - at valuation - closing balance | 1,915,727 | 1,451,232 | 1,915,727 | 1,451,232 |
| Total cost/valuation | 1,915,727 | 1,544,880 | 1,915,727 | 1,544,880 |
| Accumulated depreciation | (617,817) | (495,053) | (617,817) | (495,053) |
| Total roading - closing balance | 1,297,910 | 1,049,827 | 1,297,910 | 1,049,827 |
| Infrastructure land | | | | |
| Infrastructure land - at cost - opening balance | - | - | - | - |
| Infrastructure land - at valuation - opening balance | 38,529 | 39,256 | 38,529 | 39,256 |
| Total infrastructure land - opening balance | 38,529 | 39,256 | 38,529 | 39,256 |
| Additions | 20 | - | 20 | - |
| Disposals | (350) | - | (350) | - |
| Revaluation movement | 5,944 | - | 5,944 | - |
| Transfer between asset classes | (459) | - | (459) | - |
| Movements of non-current assets held for sale | 639 | (727) | 639 | (727) |
| Total infrastructure land - closing balance | 44,323 | 38,529 | 44,323 | 38,529 |
| Infrastructure land - at cost - closing balance | - | - | - | - |
| Infrastructure land - at valuation - closing balance | 44,323 | 38,529 | 44,323 | 38,529 |
| Total infrastructure land - closing balance | 44,323 | 38,529 | 44,323 | 38,529 |

- Disposals and transfers are reported net of accumulated depreciation.

Table 30 continued

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Land under roads | | | | |
| Land under roads - at cost - opening balance | 2,955,616 | 2,955,803 | 2,955,616 | 2,955,803 |
| Additions | - | 87 | - | 87 |
| Disposals | (91) | (83) | (91) | (83) |
| Transfer between asset classes | (1) | - | (1) | - |
| Movements of non-current assets held for sale | (29) | (191) | (29) | (191) |
| Land under roads - closing balance | 2,955,495 | 2,955,616 | 2,955,495 | 2,955,616 |
| Total infrastructure assets | 6,161,526 | 5,504,634 | 6,161,526 | 5,504,634 |
| Restricted assets ² | | | | |
| Art and cultural assets | | | | |
| Art and cultural assets - at cost - opening balance | 8,893 | 8,872 | 11,232 | 11,211 |
| Additions | - | 21 | - | 21 |
| Transfer between asset classes | (21) | - | (21) | - |
| Art and cultural assets - closing balance | 8,872 | 8,893 | 11,211 | 11,232 |
| Buildings on restricted land | | | | |
| Buildings on restricted land - at cost - opening balance | 42,292 | 42,198 | 42,292 | 42,198 |
| Accumulated depreciation | (15,226) | (13,648) | (15,226) | (13,648) |
| Total buildings on restricted land - opening balance | 27,066 | 28,550 | 27,066 | 28,550 |
| Additions | 3,748 | 94 | 3,748 | 94 |
| Depreciation expense | (1,650) | (1,578) | (1,650) | (1,578) |
| Disposals | (55) | - | (55) | - |
| Impairment | (4) | - | (4) | - |
| Transfer between asset classes | (25) | - | (25) | - |
| Total buildings on restricted land - closing balance | 29,080 | 27,066 | 29,080 | 27,066 |
| Buildings on restricted land - at cost - closing balance | 45,465 | 42,292 | 45,465 | 42,292 |
| Accumulated depreciation | (16,385) | (15,226) | (16,385) | (15,226) |
| Total buildings on restricted land - closing balance | 29,080 | 27,066 | 29,080 | 27,066 |
| Parks and reserves | | | | |
| Parks and reserves - at cost - opening balance | 213,219 | 210,673 | 213,219 | 210,673 |
| Additions | - | 2,600 | - | 2,600 |
| Disposals | (21) | - | (21) | - |
| Transfer between asset classes | - | - | - | - |
| Movements of non-current assets held for sale | 12 | (54) | 12 | (54) |
| Parks and reserves - closing balance | 213,210 | 213,219 | 213,210 | 213,219 |
| Town Belt - at cost | 89,232 | 89,232 | 89,232 | 89,232 |
| Zoo animals - at cost | 500 | 500 | 500 | 500 |
| Total restricted assets | 340,894 | 338,910 | 343,233 | 341,249 |
| Work in progress | 225,597 | 181,621 | 226,800 | 182,381 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 7,809,894 | 7,223,566 | 7,825,777 | 7,239,892 |

2. For restricted assets, valuation at cost means they are not subject to revaluation. Please refer to the relevant significant accounting policies above for a more detailed explanation.

- Disposals and transfers are reported net of accumulated depreciation

Revaluation of property, plant and equipment

The Council's operational land and buildings were valued as at 30 June 2018, and infrastructural land as at 30 June 2020 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited.

Library collections were valued as at 30 June 2020 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.

The drainage, waste and water infrastructure and roading networks and the service concession assets were valued with effect from 30 June 2020 by John Vessey (MIPENZ), Partner of WSP New Zealand Limited.

The valuation reports for the revaluations performed as at 30 June 2020 for investment properties and infrastructural assets contain statements around the risks relating to COVID-19. While the immediate impact of COVID-19 on both the real estate market and construction costs appears to have been limited, the longer-term impact is unknown which has resulted in heightened uncertainty within the valuations.

Assets are valued at regular intervals by an independent registered valuer or whenever the carrying amount differs materially to fair value. 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 2018 and 30 June 2020 for operational land and building assets were assessed using appropriate indices. The increase in asset value of 1.5 percent of total property, plant and equipment assets was not considered material by management and accordingly the assets were not revalued for 30 June 2020.

Further information on revaluation reserves and movements is contained in Note 27: Revaluation reserves (page XX).

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 Provision.

Core Assets

Included within the infrastructure assets above (*Table 30*) are the core Council assets shown in *Table 31*.

| Table 31: Council's core assets | 2020 | | | |
|---|--------------------|-----------------------|------------------|------------------|
| | Closing book value | Constructed Additions | Vested Additions | Replacement Cost |
| | \$000 | \$000 | \$000 | \$000 |
| Water supply | | | | |
| - treatment plants and facilities | - | - | - | - |
| - other assets | 477,377 | 6,197 | 697 | 1,140,726 |
| Sewerage | | | | |
| - treatment plants and facilities | 149,960 | 717 | - | 240,383 |
| - other assets | 599,951 | 15,585 | 1,455 | 1,346,545 |
| Stormwater drainage | 636,509 | 3,661 | 2,211 | 1,219,884 |
| Flood protection and control works | - | - | - | - |
| Roads and footpaths | 1,297,911 | 50,374 | 2,453 | 1,949,278 |
| TOTAL CORE ASSETS | 3,161,708 | 76,534 | 6,816 | 5,896,816 |
| | | | | |
| | 2019 | | | |
| | Closing book value | Constructed Additions | Vested Additions | Replacement Cost |
| | \$000 | \$000 | \$000 | \$000 |
| Water supply | | | | |
| - treatment plants and facilities | - | - | - | - |
| - other assets | 352,610 | 12,346 | 4,039 | 942,263 |
| Sewerage | | | | |
| - treatment plants and facilities | 168,751 | 113 | - | 241,523 |
| - other assets | 516,079 | 13,055 | 1,292 | 1,119,042 |
| Stormwater drainage | 423,223 | 12,158 | 2,751 | 874,802 |
| Flood protection and control works | - | - | - | - |
| Roads and footpaths | 1,050,017 | 56,136 | 4,148 | 1,640,049 |
| TOTAL CORE ASSETS | 2,510,680 | 93,808 | 12,230 | 4,817,679 |

Drainage, waste, water and roads assets were revalued for the year ending 30 June 2020 by WSP New Zealand Limited as part of the normal revaluation cycle.

Service concession arrangements

The Council's service concession assets consist of the Moa Point treatment plant, including the sludge dewatering plant at Carey's Gully, and Western (Karori) wastewater treatment plant. These facilities are owned by the Council, and included within infrastructure assets, but operated by Veolia Water under a contract with Wellington Water Limited. The contract also covers the Porirua wastewater treatment plant which is operating under a joint operation with Porirua City Council.

The Council incurs all associated operating expenses through the on-charged costs paid to Wellington Water Limited.

The Council transitioned to a new contract with Veolia Water, which covers the wastewater treatment plants of Wellington, Porirua and Hutt City councils, on 24 February 2020. The contract expires 30 June 2030 with two rights of renewal for further subsequent terms of three and two years respectively.

The carrying value of these service concession assets for the Council and Group is \$127.446m (2019: \$148.632m).

Insurance of assets

| Table 32: Insurance of assets | Council | |
|---|------------------|------------------|
| | 2020 | 2019 |
| | \$000 | \$000 |
| Total value of property, plant and equipment | 7,809,894 | 7,223,566 |
| less assets (primarily land) excluded from insurance contracts | (3,814,663) | (3,758,087) |
| Value of assets covered by insurance contracts | 3,995,231 | 3,465,479 |
| The maximum amount to which assets are insured under Council insurance policies | 721,000 | 1,074,000 |

In addition to Council's insurance, in the event of natural disaster it is assumed that Central Government will contribute 60 percent towards the rebuild or repair of essential Council owned infrastructure (drainage, waste and water assets) subject to eligibility considerations. Also, the New Zealand Transport Agency will contribute approximately 55 percent towards the restoration of qualifying roading assets.

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve of \$12.491m (2019: \$11.198m) exists to meet the cost of claims that fall below deductible limits under Council insurance policies. The reserve is funded annually through rates. For the year ending 30 June 2020 an amount of \$1.981m (2019: \$1.500m) was added to the reserve. The net cost of claims applied to the reserve during the year amounted to \$0.688m (2019: \$1.708m).

Civic Precinct redevelopment

A large proportion of the Civic Precinct buildings were impaired in previous years due to large earthquake strengthening requirements or damage that occurred during the Kaikoura earthquake in November 2016. Civic Precinct assets are a class of assets that are not revalued and therefore any impairment must be recognised in the Statement of Comprehensive Revenue and Expense. This expense is non-cash in nature and does not affect rates in the current year.

During the 2019/20 year further impairments totalling \$8.102m were recognised for the Civic Precinct assets as follows. These were largely as a result of a review of the work in progress balances for these buildings:

- Town Hall: a further impairment of \$4.943m for costs related to a previous strengthening project which was superseded by the current project. The building has a book value of zero. Once the strengthening work on the Town Hall has been completed the full project value of \$112.400m will be capitalised as an asset.
- Municipal Office Building (MOB): a further impairment of \$2.180m is required due to significant increases in strengthening costs for the building bringing the book value down to zero.
- Other Civic Precinct buildings: further impairments totalling \$0.979m were recognised for CAB, Central library and underground car park and Capital E. These building all have a book value of zero.

Note 19: Investment in controlled entities

The cost of the Council's investment in controlled entities is reflected in the Council's financial statements as follows in *Table 33*.

| Table 33: Investment in controlled entities | Council | |
|---|--------------|--------------|
| | 2020 | 2019 |
| | \$000 | \$000 |
| Wellington Cable Car Limited | 3,809 | 3,809 |
| Wellington Regional Economic Development Agency Limited (WREDA) | 1,262 | 1,262 |
| TOTAL INVESTMENT IN CONTROLLED ENTITIES | 5,071 | 5,071 |

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to controlled entities. The Council has only made equity investments as shareholders as noted in *Table 33* above. 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 or are considered as equity investments.

Information on inter-company transactions is included in the Note 36: Related party disclosures (page XX).

The controlled entities of Council are listed as shown in *Table 34*.

| Table 34: Controlled entities | Accounting Interest 2020 | Accounting Interest 2019 | Nature of business |
|---|--------------------------|--------------------------|--|
| Karori Sanctuary Trust (Trading as Zealandia) | 100% | 100% | Owns and manages the activities of the urban eco-sanctuary in Karori. |
| Wellington Cable Car Limited | 100% | 100% | Owns and manages the Cable Car. |
| Wellington Museums Trust (Trading as Experience Wellington) | 100% | 100% | Administers the Cable Car Museum, Capital E, the City Gallery, the Nairn Street Cottage, the Space Place (Carter Observatory), the Wellington Museum and the NZ Cricket Museum |
| Wellington Regional Economic Development Agency Limited (WREDA) (Trading as WellingtonNZ) | 80% | 80% | Manages the Wellington Venues Project and creates economic and social benefit by marketing the city with the private sector as a tourism destination. |
| - Creative HQ Limited | 80% | 80% | Business incubators |
| Wellington Waterfront Limited | 100% | 100% | Acts as bare trustee for the Waterfront project |
| Wellington Zoo Trust | 100% | 100% | Manages and guides the future direction of the Wellington Zoo. |

The reporting period end date for all controlled entities 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 relevant sections of the Statements of Service Provision.

Note 20: Investment in associates and joint venture

The cost of the Council's investment in associates and a joint venture is reflected in the Council financial statements as follows in *Table 35*.

| Table 35: Investment in associates and joint venture | Council | |
|---|---------------|---------------|
| | 2020 | 2019 |
| | \$000 | \$000 |
| Chaffers Marina Holdings Limited | 858 | 1,290 |
| Wellington International Airport Limited | 17,775 | 17,775 |
| Wellington Water Limited | 400 | 400 |
| TOTAL INVESTMENT IN ASSOCIATES AND JOINT VENTURE | 19,033 | 19,465 |

The Council has significant influence over the following entities as listed in *Table 36*. All of these are domiciled and operate in New Zealand:

| Table 36: Associates and Joint venture | Accounting Interest 2020 | Accounting Interest 2019 | Nature of business |
|--|--------------------------|--------------------------|--|
| Chaffers Marina Holdings Limited | 10.72% | 10.52% | Holding company for Chaffers Marina Limited. |
| - Chaffers Marina Limited | 10.72% | 10.52% | Owns and manages the marina. |
| Wellington International Airport Limited | 34% | 34% | Owns and manages Wellington International Airport facilities and services. |
| Wellington Water Limited | 40.00% | 42.11% | Manages all water services for Wellington, Lower Hutt, Upper Hutt and Porirua city councils, the South Wairarapa District Council and the Greater Wellington Regional Council. |

Full copies of the separately prepared financial statements can be obtained directly from their respective offices.

Associates

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 2020 Council held a 10.72 percent interest in Chaffers Marina Holdings Limited (2019: 10.52 percent) which has been recognised 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. The small increase in the shareholding reflects a change to the company's constitution lodged in December 2019. The decrease in the value of the investment as shown in *Table 36* above reflects a correction to the accounting treatment relating to historical berth sales and the effect on shares held.

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 percent of the company, with the remaining 66 percent owned by NZ Airports Limited (which is wholly owned by Infratil Limited). Council agreed on 23 April 2020 to underwrite additional equity, if required. For more information refer to Note 34: Contingencies (page XX).

Joint venture

Wellington Water Limited

Wellington Water Limited was jointly created with Hutt City Council on 9 July 2003 to manage the drinking water, wastewater and stormwater assets of the councils. Since its inception it has gradually expanded its operations and now covers six councils in the Wellington region.

Jointly created with Hutt City Council on 9 July 2003 the company has expanded its operations and ownership to include Upper Hutt and Porirua city councils from 1 November 2013, the Greater Wellington Regional Council from 16 September 2014 and the South Wairarapa District Council from 26 September 2019.

The company has a reporting period ending 30 June and has a dual share structure as shown in Table 37.

| Table 37: Shareholding Councils | Class A shares (voting rights) | Class B Shares (financial entitlements) | Ownership interest |
|--|---|--|-------------------------------|
| Wellington City | 150 | 200 | 40% |
| Hutt City | 150 | 100 | 20% |
| Upper Hutt City | 150 | 40 | 8% |
| Porirua City | 150 | 60 | 12% |
| Greater Wellington Regional | 150 | 75 | 15% |
| South Wairarapa District Council | 150 | 25 | 5% |
| Total shares on issue | 900 | 500 | 100% |

The Council classifies this entity as a joint venture because of the equal sharing of voting rights conferred through the Class A shares and the shareholder's agreement, which constitutes a binding arrangement.

The Class B shares confer the level of contributions and ownership benefits of each council. The Council uses equity accounting to recognise its 40 percent (2019: 42.11 percent) ownership interest.

Value of the investments

The investment in associates and the joint venture in the Group financial statements represents the Council's share of the net assets of the associates and the joint venture. This is reflected in the Group financial statements as follows:

| Table 38: Value of investment in associates and joint venture | Group | |
|---|----------------|----------------|
| | 2020 | 2019 |
| | \$000 | \$000 |
| Chaffers Marina Holdings Limited | | |
| Opening balance | 849 | 855 |
| Change in shares during the year | (448) | - |
| Change in equity due to changed shareholding | 7 | - |
| Equity accounted earnings of associate | (45) | (6) |
| Closing balance - investment in Chaffers Marina Holdings Limited | 363 | 849 |
| Wellington International Airport Limited | | |
| Opening balance | 194,201 | 186,313 |
| Dividends | (12,061) | (13,881) |
| Equity accounted earnings of associate | 18,983 | 16,327 |
| Share of net revaluation of property, plant and equipment - movement | 9,290 | 4,760 |
| Share of hedging reserve - movement | (427) | 682 |
| Closing balance - investment in Wellington International Airport Limited | 209,986 | 194,201 |
| Wellington Water Limited | | |
| Opening balance | 723 | 712 |
| Change in equity due to changed shareholding | (16) | - |
| Equity accounted earnings of joint venture | (100) | 11 |
| Closing balance - investment in Wellington Water Limited | 607 | 723 |
| TOTAL VALUE OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE | 210,956 | 195,773 |

The Council's share of the operating surplus or deficit results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is outlined in Note 9: Share of Associates' and Joint Venture's surplus or deficit (page XX).

Summary of Financial Position and Performance of associates

Financial information relating to the Council's associates is provided in *Tables 39 and 40* below:

| Table 39: Chaffers Marina Holdings Limited | 2020 | 2019 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Council | | |
| Investment in Chaffers Marina Holdings Limited (at cost) | 858 | 1,290 |
| Group | | |
| Summarised financial information of associate | | |
| Current assets | 1,032 | 999 |
| Non-current assets | 4,455 | 4,624 |
| Current liabilities | (178) | (154) |
| Non-current liabilities | (1,924) | (1,660) |
| Net assets | 3,385 | 3,809 |
| Revenue | 1,385 | 1,671 |
| Tax expense | - | - |
| Surplus / (deficit) after tax | (375) | (36) |
| Other comprehensive revenue and expense | - | - |
| Total comprehensive revenue and expense | (375) | (36) |
| Reconciliation to equity accounted carrying amount | | |
| Net assets | 3,385 | 3,809 |
| Group's share % | 10.72% | 10.52% |
| Group's share \$000 | 363 | 401 |
| Other consolidation adjustments | - | 448 |
| Equity accounted carrying amount | 363 | 849 |
| Risks associated with the Council's investment in the associate | | |
| Share of contingent liabilities | - | - |

| Table 40: Wellington International Airport Limited | 2020 | 2019 |
|--|----------------|----------------|
| | \$000 | \$000 |
| Council | | |
| Investment in Wellington International Airport Limited (at cost) | 17,775 | 17,775 |
| Group | | |
| Dividends received | 12,061 | 13,881 |
| Summarised financial information of associate | | |
| Current assets | 35,043 | 43,943 |
| Non-current assets | 1,336,927 | 1,216,550 |
| Current liabilities | (89,204) | (114,952) |
| Non-current liabilities | (641,835) | (541,875) |
| Net assets | 640,931 | 603,666 |
| Revenue | 146,377 | 137,889 |
| Tax credit /(expense) | 34,527 | (234) |
| Surplus / (deficit) after tax | (5,640) | 23,541 |
| Other comprehensive revenue and expense | 22,590 | 7,339 |
| Total comprehensive revenue and expense | 16,950 | 30,880 |
| Reconciliation to equity accounted carrying amount | | |
| Net assets | 640,931 | 603,666 |
| Group's share % | 34% | 34% |
| Group's share \$000 | 217,917 | 205,246 |
| Dividends received not in WIAL annual report | (12,061) | (13,881) |
| Difference on adoption of IFRS 9 | 4,129 | 2,948 |
| Other consolidation adjustments | 1 | (112) |
| Equity accounted carrying amount | 209,986 | 194,201 |
| Risks associated with the Council's investment in the associate | | |
| Share of contingent liabilities | - | - |

Summary of Financial Position and Performance of joint venture

Financial information relating to the Council's joint venture is provided in *Table 41* below:

| Table 41: Wellington Water Limited | 2020 | 2019 |
|--|-----------------|-----------------|
| | \$000 | \$000 |
| Council | | |
| Investment in Wellington Water Limited (at cost) | 400 | 400 |
| Group | | |
| Summarised financial information of joint venture | | |
| Current assets | | |
| Cash and cash equivalents | 18,969 | 13,537 |
| Other current assets | 11,609 | 4,881 |
| Total current assets | 30,578 | 18,418 |
| Non-current assets | 2,288 | 2,585 |
| Current liabilities | | |
| Financial liabilities (excluding accounts payable) | - | - |
| Other current liabilities | (31,156) | (19,016) |
| Total current liabilities | (31,156) | (19,016) |
| Non-current liabilities | | |
| Financial liabilities (excluding accounts payable) | - | - |
| Other non-current liabilities | (192) | (269) |
| Total non-current liabilities | (192) | (269) |
| Net assets | 1,518 | 1,718 |
| Revenue, excluding interest | 187,668 | 135,818 |
| Interest revenue | 127 | 291 |
| Depreciation and amortisation | (1,117) | (1,039) |
| Interest expense | - | (19) |
| Tax expense | - | (9) |
| Surplus / (deficit) after tax | (251) | 30 |
| Other comprehensive revenue and expense | - | - |
| Total comprehensive revenue and expense | (251) | 30 |
| Reconciliation to equity accounted carrying amount | | |
| Net assets | 1,518 | 1,718 |
| Group's share % | 40.00% | 42.11% |
| Group's share \$000 | 607 | 723 |
| Other consolidation adjustments | - | - |
| Equity accounted carrying amount | 607 | 723 |
| Risks associated with the Council's investment in the joint venture | | |
| Shareholder funding commitments for the next three years | - | - |
| Share of contingent liabilities | - | - |

Note 21: Exchange transactions, transfers and taxes payable

| Table 42: Exchange transactions, transfers and taxes payable | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Current | | | | |
| Exchange transactions and transfers payable | 57,417 | 65,366 | 60,404 | 70,452 |
| Taxes payable | 8,185 | 6,599 | 8,458 | 6,780 |
| Non-current | | | | |
| Exchange transactions and transfers payable | 231 | 231 | 231 | 231 |
| TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE | 65,833 | 72,196 | 69,093 | 77,463 |

Comprised of:

| Table 43: Exchange transactions and transfers payable | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Trade payables and accruals | 50,015 | 56,177 | 52,968 | 61,168 |
| Interest payable | 3,519 | 3,805 | 3,519 | 3,805 |
| Sundry payables | 4,114 | 5,615 | 4,148 | 5,710 |
| Total exchange transactions and transfers payable | 57,648 | 65,597 | 60,635 | 70,683 |

| Table 44: Taxes payable | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| GWRC rates | 5,332 | 4,290 | 5,332 | 4,290 |
| Other | 2,853 | 2,309 | 3,126 | 2,490 |
| Total taxes payable | 8,185 | 6,599 | 8,458 | 6,780 |
| TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE | 65,833 | 72,196 | 69,093 | 77,463 |

COVID-19: On 9 April 2020, Council agreed to proactively support business cashflows by temporarily changing its terms of trade payment dates. This reduced the payment timeframes for payments to suppliers who provide goods and services to the Council down from 20 to 5 days for valid authorised invoices. This practice was still in place as at 30 June 2020 to ensure that suppliers were able to maintain their own cashflows by having received prompt payment.

| Table 45: Exchange transactions, transfers and payable to related parties | Council | | Group | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Controlled entities | 309 | 379 | - | - |
| Associates and jointly controlled entity | 6,945 | 1,754 | 6,945 | 1,754 |
| Total exchange transactions, transfers and payable to related parties | 7,254 | 2,133 | 6,945 | 1,754 |

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date. Most of Council's payables are exchange transactions as they are

directly with another party on an arm's length basis and are of approximately equal value. Non-exchange payables are classified as either transfers payable (eg. Council grants) or taxes (eg. PAYE).

Note 22: Revenue in advance

| Table 46: Revenue in advance | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Exchange | | | | |
| Lease rentals | 2,146 | 2,300 | 2,146 | 2,300 |
| Other | - | - | 2,434 | 858 |
| Taxes | | | | |
| Rates | 1,742 | 1,239 | 1,742 | 1,239 |
| Transfers | | | | |
| Wellington Venues operations | 950 | 1,218 | 950 | 1,218 |
| Inspection and licensing fees | 4,578 | 4,084 | 4,578 | 4,084 |
| Other | 953 | 1,252 | 1,525 | 1,894 |
| Liabilities recognised under conditional transfer agreements | | | | |
| | 3,933 | 3,980 | 5,958 | 5,802 |
| TOTAL REVENUE IN ADVANCE | 14,302 | 14,073 | 19,333 | 17,395 |

Relevant significant accounting policies

Liabilities recognised under conditional transfer agreements

Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditions are fulfilled over time.

These liabilities relate to various naming rights agreements that Council has with third parties for buildings.

Note 23: Borrowings

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. 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.

COVID-19: While Council undertook additional borrowing as an initial response, this measure was to ensure future liquidity was assured and not due to immediate revenue loss or cost pressures.

Gross Borrowings

The gross borrowings are comprised as follows in *Table 47* below:

| Table 47: Gross borrowings | Council | | Group | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Current | | | | |
| Bank loans - term | - | 39 | - | 39 |
| Commercial paper | 68,000 | 85,000 | 68,000 | 85,000 |
| Debt securities - fixed rate bonds | 25,000 | 5,000 | 25,000 | 5,000 |
| Debt securities - floating rate notes | 93,000 | 35,000 | 93,000 | 35,000 |
| Finance leases | - | - | 28 | 29 |
| Total current | 186,000 | 125,039 | 186,028 | 125,068 |
| Non-current | | | | |
| Bank loans - term | 5,931 | 5,417 | 5,931 | 5,417 |
| Debt securities - fixed rate bonds | 35,000 | 40,000 | 35,000 | 40,000 |
| Debt securities - floating rate notes | 549,000 | 518,500 | 549,000 | 518,500 |
| Finance leases | - | - | 20 | 48 |
| Total non-current | 589,931 | 563,917 | 589,951 | 563,965 |
| TOTAL GROSS BORROWINGS | 775,931 | 688,956 | 775,979 | 689,033 |

Net Borrowings

When the cash position of Council and the Group is taken into account the net borrowings position is comprised as follows in *Table 48* below.

| Table 48: Net borrowings | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Total gross borrowings | 775,931 | 688,956 | 775,979 | 689,033 |
| <i>Less</i> | | | | |
| Cash and cash equivalents (see Note 11) | (98,577) | (135,246) | (113,285) | (149,089) |
| Term deposits > 3 months < 12 Months | (30,000) | (9,000) | (32,000) | (10,250) |
| TOTAL NET BORROWINGS | 647,354 | 544,710 | 630,694 | 529,694 |

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 32: Financial instruments (page XX).

Table 49, as follows, shows the utilisation of the borrowing facilities available to the Group at the end of the reporting period. The table also indicates the current applicable maturity and interest rate ranges.

| Table 49: Group borrowing facilities | Available | Utilised | Maturities | Interest |
|---|------------------|-----------------|------------------------------|-------------------|
| | \$000 | \$000 | | Rate Range |
| | | | | % |
| Bank overdraft - committed | 1,900 | - | | |
| Bank facilities - short term - uncommitted | 5,000 | - | | |
| Bank facilities - long term - committed | 120,000 | - | | |
| Bank loans - term | 5,931 | 5,931 | 2022-2041 | 4.3 |
| Commercial paper | 100,000 | 68,000 | August 2020 - September 2020 | 0.33 - 1.33 |
| Debt securities - fixed rate bonds | 60,000 | 60,000 | April 2021 - April 2033 | 1.35 - 5.37 |
| Debt securities - floating rate notes | 642,000 | 642,000 | August 2020 - April 2033 | 0.54 - 1.28 |
| Finance leases | 48 | 48 | | |
| Total | 934,879 | 775,979 | | |

- The bank overdraft facility is \$1.500m for Council and \$0.400m for WREDA.
- In addition to the above facilities, Council operates purchase cards to efficiently facilitate the purchase of goods and services. The cards are paid in full on a monthly basis. An aggregate bank limit of \$2.000m for all cards applies across Council.

Security

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.

Ring fenced funds

The Council holds \$52.537m (2019: \$42.755m) of funds that may only be used for a specified purpose. These funds are not held in cash but are utilised against borrowings until required. The main specified uses for these funds are as follows:

Housing upgrade project

As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$44.390m (2019: \$32.556m), representing the accumulated surpluses and deficits from the Housing activity, has been ring fenced for future investment in the Council's social housing assets.

Waste reduction and energy

An amount of \$11.344m (2019: \$10.199m) related to accumulated surpluses and deficits 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. Council is committed to a number of waste minimisation projects that will utilise these funds.

Note 24: Employee benefit liabilities and provisions

| Table 50: Employee benefit liabilities and provisions | Council | | Group | |
|--|---------------|--------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Current | | | | |
| Short-term benefits | | | | |
| Payroll accruals | 3,189 | 2,152 | 4,105 | 2,851 |
| Holiday leave | 7,068 | 5,521 | 8,641 | 6,865 |
| Total short-term benefits | 10,257 | 7,673 | 12,746 | 9,716 |
| Termination benefits | | | | |
| Other contractual provisions | 104 | 19 | 127 | 19 |
| Total termination benefits | 104 | 19 | 127 | 19 |
| Total current | 10,361 | 7,692 | 12,873 | 9,735 |
| Non-current | | | | |
| Long-term benefits | | | | |
| Long service leave provision | - | - | 60 | 67 |
| Retirement gratuities provision | 764 | 782 | 764 | 782 |
| Total long-term benefits | 764 | 782 | 824 | 849 |
| TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS | 11,125 | 8,474 | 13,697 | 10,584 |

Relevant significant accounting policies - general

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, 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.

COVID-19: Due to the initial lockdown and the imposed travel restrictions fewer employees have taken leave in the last quarter of the year. 414 staff cancelled their leave (1,818 days) between the initial lockdown and the end of the period. As at 30 June 2020 staff had 4,400 days more leave compared to 30 June 2019, and as a result the leave liability has increased compared to the prior year by \$1.529m.

Movements in material employee benefit provisions above are analysed in the following table:

| Table 51: Retirement gratuities provision | Council | | Group | |
|--|------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 782 | 772 | 782 | 772 |
| Movement in required provision | 59 | 27 | 59 | 27 |
| Release of unused provision | - | - | - | - |
| Rediscounting of interest | 10 | 13 | 10 | 13 |
| Amount utilised | (87) | (30) | (87) | (30) |
| Retirement gratuities - closing balance | 764 | 782 | 764 | 782 |

Background to Table 51

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.

Relevant significant accounting policies – Table 51 specific

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.

Estimation

The gross retirement gratuities provision (inflation adjusted at 1.90 percent) as at 30 June 2020, before discounting, is \$0.820m (2019: \$0.897m). The discount factor of 2.23 percent is based on the Treasury risk-free retirement rate.

| Table 52: Other contractual provisions | Council | | Group | |
|---|------------|-----------|------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 19 | 220 | 19 | 220 |
| New provision | 104 | 19 | 127 | 19 |
| Release of unused provision | - | - | - | - |
| Amount utilised | (19) | (220) | (19) | (220) |
| Other contractual provisions - closing balance | 104 | 19 | 127 | 19 |

Background to Table 52

The above provision is to cover estimated redundancy costs as at 30 June 2020 resulting from current restructuring within the Council.

Relevant significant accounting policies – Table 52 specific

Other contractual provisions 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.

Note 25: Provisions for other liabilities

| Table 53: Provisions for other liabilities | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Current | | | | |
| Landfill post closure costs | 1,143 | 1,518 | 1,143 | 1,518 |
| Weathertight homes | 7,859 | 9,372 | 7,859 | 9,372 |
| Total current | 9,002 | 10,890 | 9,002 | 10,890 |
| Non-current | | | | |
| Landfill post closure costs | 20,652 | 19,459 | 20,652 | 19,459 |
| Weathertight homes | 31,502 | 28,750 | 31,502 | 28,750 |
| Total non-current | 52,154 | 48,209 | 52,154 | 48,209 |
| TOTAL PROVISIONS FOR OTHER LIABILITIES | 61,156 | 59,099 | 61,156 | 59,099 |

Relevant significant accounting policies - general

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.

Movements in material provisions above are analysed in the following tables:

| Table 54: Landfill post closure costs | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 20,977 | 19,171 | 20,977 | 19,171 |
| Movement in provision | 10 | 2,312 | 10 | 2,312 |
| Re-discounting of interest | 1,141 | 649 | 1,141 | 649 |
| Amount utilised | (333) | (1,155) | (333) | (1,155) |
| Landfill post closure costs - closing balance | 21,795 | 20,977 | 21,795 | 20,977 |
| Current | 1,143 | 1,518 | 1,143 | 1,518 |
| Non-current | 20,652 | 19,459 | 20,652 | 19,459 |
| Landfill post closure costs - closing balance | 21,795 | 20,977 | 21,795 | 20,977 |

Background to Table 54

The Council operates the Southern Landfill (Stage 3) and has a 21.5 percent 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
- on-going 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.

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.

Relevant significant accounting policies – Table 54 specific

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's provision for landfill post-closure costs includes the Council's 21.5 percent proportionate share of the Spicer Valley landfill provision for post-closure costs.

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 cash flows are discounted using the Treasury risk free rate of 1.67 percent and 0.8 percent for open and closed landfills respectively. The gross provision (inflation adjusted at 1.65 percent) before discounting, is \$23.528m (2019: \$24.393m). 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 525,714 m³ (2019: 554,940 m³) and is expected to close in 2022. 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 a remaining life out to 2052.

| Table 55: Weathertight homes | Council | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 38,122 | 46,275 | 38,122 | 46,275 |
| Additional or increased provision made | 4,622 | 2,794 | 4,622 | 2,794 |
| Amount utilised | (3,383) | (10,947) | (3,383) | (10,947) |
| Weathertight homes - closing balance | 39,361 | 38,122 | 39,361 | 38,122 |
| Current | 7,859 | 9,372 | 7,859 | 9,372 |
| Non-current | 31,502 | 28,750 | 31,502 | 28,750 |
| Weathertight homes - closing balance | 39,361 | 38,122 | 39,361 | 38,122 |

Background to Table 55

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 \$13.254m (2019: \$11.906m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Movement in the provision

During the year \$3.383m was paid as either part or full settlement of claims. An additional \$4.622m was added to the provision after an actuarial re-assessment of the likely future costs to be incurred as explained below. The current / non-current split above reflects the expected timing of payments but is reassessed each year to take account of delays in claim negotiations and any mediation outcomes.

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 cash flows are inflation adjusted and discounted using the Treasury's risk-free 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.

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.

Sensitivity

Table 56 below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

| Table 56: Weathertight provision sensitivity | 2020 | |
|---|------------------------------|---------|
| | \$000 | |
| | +10% | -10% |
| Assumption | Effect on Surplus or Deficit | |
| Amount claimed | 3,937 | (3,936) |
| Settlement level award | 3,937 | (3,936) |
| Council contribution to settlement | 3,937 | (3,936) |
| Change in percentage of homeowners who will make a successful claim | 1,326 | (1,325) |
| | | |
| | +2% | -2% |
| Assumption | Effect on Surplus or Deficit | |
| Discount rate | (2,428) | 883 |

Funding of weathertight homes settlements

Council uses borrowings in the first instance to meet the cost of settlements with the associated borrowings subsequently being repaid through rates funding. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

| Table 57: Funding for weathertight homes liability | Council | | Group | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | (36,036) | (31,132) | (36,036) | (31,132) |
| Rates funding for weathertight homes liability | 7,677 | 7,447 | 7,677 | 7,447 |
| Total amounts paid | (3,383) | (10,947) | (3,383) | (10,947) |
| Interest allocation | (1,186) | (1,404) | (1,186) | (1,404) |
| Closing balance funded through borrowings | (32,928) | (36,036) | (32,928) | (36,036) |

Note 26: Deferred tax

Recognised temporary differences and tax losses

| Table 58: Deferred tax asset / (liability) | Group | |
|--|----------------|----------------|
| | 2020 \$000 | 2019 \$000 |
| Opening balance | | |
| Property, plant and equipment | (1,206) | (1,071) |
| Intangible assets | (20) | (22) |
| Employee entitlements | 193 | 188 |
| Other provisions | 13 | 14 |
| Tax losses | 6 | 9 |
| Total opening balance | (1,014) | (882) |
| Charged to surplus or deficit | | |
| Property, plant and equipment | 497 | (135) |
| Intangible assets | 26 | 2 |
| Employee entitlements | (14) | 5 |
| Other provisions | (1) | (1) |
| Tax losses | 198 | (3) |
| Total charged to surplus or deficit | 706 | (132) |
| Closing balance | | |
| Property, plant and equipment | (709) | (1,206) |
| Intangible assets | 6 | (20) |
| Employee entitlements | 179 | 193 |
| Other provisions | 12 | 13 |
| Tax losses | 204 | 6 |
| TOTAL CLOSING BALANCE | (308) | (1,014) |

Unrecognised tax losses

Under current income tax legislation, the unrecognised tax losses do not expire.

There is an unrecognised deferred tax asset in respect of the tax losses for the Council of \$0.053m (2019: \$0.134m).

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.

Relevant significant accounting policies

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.

Statement of changes in equity

For the year ending 30 June 2020

| | Note | Council | | | Group | |
|---|-----------|------------------|------------------|------------------|------------------|------------------|
| | | Actual | Budget | Actual | Actual | Actual |
| | | 2020 | 2020 | 2019 | 2020 | 2019 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 |
| EQUITY - Opening balances | | | | | | |
| Accumulated funds | | 1,269,134 | 1,269,134 | 1,269,134 | 1,293,162 | 1,293,162 |
| Retained earnings | | 3,795,806 | 3,845,492 | 3,819,629 | 3,799,312 | 3,818,478 |
| Revaluation reserves | | 1,854,208 | 1,840,250 | 1,857,464 | 2,017,583 | 2,016,078 |
| Hedging reserve | | (68,138) | (62,495) | (25,362) | (67,757) | (25,663) |
| Fair value through other comprehensive revenue and expense reserve | | 4,290 | 3,744 | 3,744 | 5,328 | 4,836 |
| Non-controlling interest | | - | - | - | 284 | 284 |
| Restricted funds | | 14,865 | 14,909 | 14,909 | 19,033 | 19,136 |
| TOTAL EQUITY - Opening balance | | 6,870,165 | 6,911,034 | 6,939,518 | 7,066,945 | 7,126,311 |
| CHANGES IN EQUITY | | | | | | |
| Retained earnings | | | | | | |
| Net surplus / (deficit) for the year | | 15,146 | (8,537) | (23,867) | 22,812 | (19,269) |
| Transfer to restricted funds | | (4,049) | (2,001) | (3,267) | (4,494) | (4,300) |
| Transfer from restricted funds | | 2,732 | 1,006 | 3,311 | 3,500 | 4,403 |
| Transfer from revaluation reserves | | 127 | - | - | 127 | - |
| Revaluation reserves | 27 | | | | | |
| Fair value movement - property, plant and equipment - net | | 493,980 | 204,856 | (3,256) | 503,245 | 1,505 |
| Transfer to retained earnings | | (127) | - | - | (127) | - |
| Hedging reserve | 28 | | | | | |
| Movement in hedging reserve | | (38,903) | - | (42,776) | (39,330) | (42,094) |
| Fair value through other comprehensive revenue and expense reserve | 29 | | | | | |
| Movement in fair value - Equity investments | | 795 | - | 546 | 795 | 546 |
| Movement in fair value - Available for sale equities | | - | - | - | (23) | (54) |
| Non-controlling interest | | | | | | |
| Movement of non-controlling interest | | - | - | - | - | - |
| Restricted funds | 30 | | | | | |
| Transfer to retained earnings | | (2,732) | (1,006) | (3,311) | (3,500) | (4,403) |
| Transfer from retained earnings | | 4,049 | 2,001 | 3,267 | 4,494 | 4,300 |
| Total comprehensive revenue and expense | | 471,018 | 196,319 | (69,353) | 487,499 | (59,366) |
| EQUITY - Closing balances | | | | | | |
| Accumulated funds | | 1,269,134 | 1,269,134 | 1,269,134 | 1,293,162 | 1,293,162 |
| Retained earnings | | 3,809,762 | 3,835,960 | 3,795,806 | 3,821,257 | 3,799,312 |
| Revaluation reserves | | 2,348,061 | 2,045,106 | 1,854,208 | 2,520,701 | 2,017,583 |
| Hedging reserve | | (107,041) | (62,495) | (68,138) | (107,087) | (67,757) |
| Fair value through other comprehensive revenue and expense reserve | | 5,085 | 3,744 | 4,290 | 6,100 | 5,328 |
| Non-controlling interest | | - | - | - | 284 | 284 |
| Restricted funds | | 16,182 | 15,904 | 14,865 | 20,027 | 19,033 |
| TOTAL EQUITY - Closing balance | | 7,341,183 | 7,107,353 | 6,870,165 | 7,554,444 | 7,066,945 |
| Total comprehensive revenue and expense attributable to: | | | | | | |
| Wellington City Council and Group | | 471,018 | 196,319 | (69,353) | 487,215 | (59,650) |
| Non-controlling interest | | - | - | - | 284 | 284 |
| | | 471,018 | 196,319 | (69,353) | 487,499 | (59,366) |

The notes on pages XX to XX form part of and should be read in conjunction with the financial statements

Statement of changes in equity – Major budget variations

Significant variations from budgeted changes in equity are as follows:

Opening equity is \$39.874m under budget. This is largely due to the \$50.522m impairment of the Civic Centre Precinct which only finalised after the 2019/20 budget had been approved by Council.

Closing equity is \$233.830m higher than budgeted, major variance included:

- \$289.124m higher property, plant and equipment revaluations
- \$38.903m decrease in the hedging reserve due to unfavourable changes in interest swap rates
- \$23.683m higher surplus for the year largely due to the \$33m CAB insurance recovery recognised as an adjustable event after the reporting date.

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 broken down and classified into a number of components:

- accumulated funds and retained earnings;
- revaluation reserves;
- hedging reserve;
- fair value through other comprehensive revenue and expense reserve; and
- restricted funds.

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.

Equity management

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 27: Revaluation reserves

| Table 59: Revaluation reserves | Council | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Land - opening balance | 203,103 | 203,103 | 203,103 | 203,103 |
| Land - closing balance | 203,103 | 203,103 | 203,103 | 203,103 |
| Buildings - opening balance | 359,189 | 362,445 | 359,189 | 362,445 |
| Impairment taken from revaluation reserve | - | (3,256) | - | (3,256) |
| Revaluation adjustment | (7,643) | - | (7,643) | - |
| Transfer between assets classes | (34,518) | - | (34,518) | - |
| Transfer to retained earnings due to disposal of assets | (127) | - | (127) | - |
| Buildings - closing balance | 316,901 | 359,189 | 316,901 | 359,189 |
| Library collections - opening balance | 8,392 | 8,392 | 8,392 | 8,392 |
| Revaluation recognised in other comprehensive revenue and expense | 200 | - | 200 | - |
| Library collections - closing balance | 8,592 | 8,392 | 8,592 | 8,392 |
| Drainage, waste and water - opening balance | 764,153 | 764,153 | 764,153 | 764,153 |
| Revaluation recognised in other comprehensive revenue and expense | 404,633 | - | 404,633 | - |
| Transfer between assets classes | (1,047) | - | (1,047) | - |
| Drainage, waste and water - closing balance | 1,167,739 | 764,153 | 1,167,739 | 764,153 |
| Infrastructure land - opening balance | 18,858 | 18,858 | 18,858 | 18,858 |
| Revaluation recognised in other comprehensive revenue and expense | 5,944 | - | 5,944 | - |
| Infrastructure land - closing balance | 24,802 | 18,858 | 24,802 | 18,858 |
| Roading - opening balance | 500,513 | 500,513 | 500,513 | 500,513 |
| Revaluation recognised in other comprehensive revenue and expense | 90,846 | - | 90,846 | - |
| Transfer between assets classes | 35,565 | - | 35,565 | - |
| Roading - closing balance | 626,924 | 500,513 | 626,924 | 500,513 |
| Associates' revaluation reserves - opening balance | - | - | 163,375 | 158,614 |
| Revaluation recognised in other comprehensive revenue and expense | - | - | 9,290 | 4,761 |
| Effect of change in shareholding | - | - | (25) | - |
| Associates' revaluation reserves - closing balance | - | - | 172,640 | 163,375 |
| Total revaluation reserves - closing balance | 2,348,061 | 1,854,208 | 2,520,701 | 2,017,583 |

These revaluation reserves are represented by:

| Table 60: Summary of revaluation reserve movements | Council | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 1,854,208 | 1,857,464 | 2,017,583 | 2,016,078 |
| Revaluation recognised in other comprehensive revenue and expense | 501,623 | - | 510,913 | 4,761 |
| Effect of change in shareholding | - | - | (25) | - |
| Impairment taken from revaluation reserve | - | (3,256) | - | (3,256) |
| Revaluations adjustment | (7,643) | - | (7,643) | - |
| Transfer to retained earnings due to disposal of assets | (127) | - | (127) | - |
| TOTAL REVALUATION RESERVES | 2,348,061 | 1,854,208 | 2,520,701 | 2,017,583 |

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes. The impairment of buildings in 2018/19 related to two earthquake prone Social Housing sites and Arlington site 1, which was subject to a signed long-term lease agreement going unconditional in March 2020 and subsequent redevelopment by Kainga Ora.

For the period ending 30 June 2020 Council has revalued its investment properties, which are revalued annually – refer to Note 17 – Investment properties, for more information (page XX).

Council also revalued its Infrastructure networks, infrastructure land and Library collection – refer to Note 18 – Property, Plant and Equipment, for more information (page XX). The revaluations have all been carried out up to 30 June 2020 to account for any COVID-19 effects, particularly on the relevant indices used.

Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

COVID-19: For the year ending 30 June 2020, as part of the normal 3-year cycle, Council undertook revaluations of its 3-Waters and Roading network infrastructures, along with infrastructure land and Library collections. This work was almost complete up to 31 March, which is acceptable for use in the year-end financial statements, when Alert Level 4 was put in place in late March. Consequently, Council, along with all public entities were required to review their revaluations out to 30 June to ensure that they still materially represented fair value at the reporting date.

Relevant significant accounting policies

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Any impairment in a revalued class of asset is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example, where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments

Note 28: Hedging reserve

| Table 61: Hedging reserve | Council | | Group | |
|---|------------------|-----------------|------------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | (68,138) | (25,362) | (67,757) | (25,663) |
| Cash flow hedge net movement recognised in other comprehensive revenue and expenses | (38,903) | (42,776) | (39,330) | (42,094) |
| TOTAL HEDGING RESERVE | (107,041) | (68,138) | (107,087) | (67,757) |

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 Council uses interest rate swaps to fix interest rates on floating rate debt (floating rate notes and commercial paper) to give it certainty over interest costs.

The Council uses hedge accounting to recognise any fair value fluctuations in these swaps through this reserve within equity. Using hedge accounting prevents any significant movement in interest rate exposure significantly affecting the Council's ability to meet its balanced budget requirements

The Group movement reflects the hedging related to Wellington International Airport Limited but adjusted to align with the Groups' accounting policies.

Note 29: Fair value through other comprehensive revenue and expense reserve

| Table 62: Fair value through other comprehensive revenue and expense reserve | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Opening balance | 4,290 | 3,744 | 5,328 | 4,836 |
| Movements: | | | | |
| Civic Financial Services Limited | 13 | (272) | 13 | (272) |
| Local Government Funding Agency | 782 | 818 | 782 | 818 |
| Creative HQ shareholdings - available for sale | - | - | (23) | (54) |
| TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE | 5,085 | 4,290 | 6,100 | 5,328 |

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Financial Services Limited (Civic) and the Local Government Funding Agency. The decrease in the Civic investment in the 2018/19 year was due to the payment of a special dividend following the sale of Civic Assurance House. For further information on equity investments refer to Note 14: Other financial assets (page XX).

In the Group, Creative HQ, a controlled entity of WREDA, has small shareholdings in incubator and accelerator programme companies. These shareholdings are fair valued annually and any movement is held within this reserve until the disposal of the shares.

Note 30: Restricted funds

Restricted funds are comprised of special reserves and funds that Council holds for specific purposes and trusts and bequests that have been bestowed upon the Council for the benefit of all Wellingtonians.

| Table 63: Restricted funds | Council | | Group | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Special reserves and funds | 15,714 | 14,387 | 18,888 | 17,629 |
| Trusts and bequests | 468 | 478 | 1,139 | 1,404 |
| TOTAL RESTRICTED FUNDS | 16,182 | 14,865 | 20,027 | 19,033 |

| Table 64: Special reserves and funds | Opening | Additional | Funds | Closing |
|---|---------------|--------------|----------------|---------------|
| | Balance | Funds | Utilised | Balance |
| | 2020 | 2020 | 2020 | 2020 |
| | \$000 | \$000 | \$000 | \$000 |
| Council | | | | |
| City recovery fund (was City Growth Fund) | 2,407 | 2,051 | (2,017) | 2,441 |
| Reserve purchase and development fund | 782 | - | - | 782 |
| Insurance reserve | 11,198 | 1,981 | (688) | 12,491 |
| Total Council | 14,387 | 4,032 | (2,705) | 15,714 |
| Controlled entities' reserve funds | 3,242 | 96 | (164) | 3,174 |
| Total Group - Special reserves and funds | 17,629 | 4,128 | (2,869) | 18,888 |

Nature and purpose, funding and utilisation

City Recovery Fund (previously the City Growth fund)

COVID-19: Council initially agreed on 9 April 2020 to the establishment of a City Recovery Fund (CRF) as part of Council's pandemic response plan. On 27 May 2020, Council further agreed to a framework which saw the aggregation of three existing funds (City Growth Fund, the Capital of Culture activity and Destination Wellington) for the specific purpose of supporting and boosting the economic recovery in response to the impacts of COVID-19. It is expected that Council will decide whether to continue the CRF for a second year or revert back to the legacy funds during the 2021/22 Annual Plan process.

The City Recovery Fund has a closing balance of \$2.441m with City Growth Fund funding for the year of \$1.787m (2019: \$1.750m) provided from rates, \$0.157m from unused Capital of Culture activities and another \$0.106m from Destination Wellington. During the year \$2.017m (2019: \$1.603m) was utilised.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. During the year no purchases were made.

Insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the cost of claims that fall below deductible limits under Council's insurance policies. Additions to the reserve of \$1.981m (2019: \$1.500m) were funded through rates as identified in the Annual Plan. During the year \$0.688m (2019: \$1.708m) was used to meet under-excess insurance costs.

Controlled entities' reserve funds

The restricted funds of the controlled entities relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has six reserves; a Capital reserve, a Capital E reserve, a Nairn Street Cottage collection reserve, a Wellington Museums collection reserve, a City Gallery reserve and a Wellington Museum Plimmer reserve. The two collection reserves are for the purpose of future museum acquisitions.
- The Wellington Zoo Trust has two reserves; an Animal Transfer Fund specifically for the transfer of animals and a Conservation Fund to specifically support field conservation.

Analysis of movements in trusts and bequests

Additional funds and utilisation

Trusts and bequests receiving additional funds during the year were only those where interest totalling \$0.017m (2019: \$0.017m) has been applied in accordance with the original terms and conditions. Expenditure of \$0.027m (2019: Nil) was made from the AW Newton bequest to a number of athletic, educational and arts related causes from previously earned interest.

Nature and purpose

The Council's bequests and trusts have been generally provided for library, educational or environmental purposes.

The Wellington Zoo Trust has a number of bequests, trusts and capital grants made to it for specific purposes, which are held as restricted funds until utilised. Further information on these can be found in the Wellington Zoo Trust annual report published on their website –

<https://wellingtonzoo.com/about-us/about-our-zoo/>

Charles Plimmer Bequest

This bequest is held and administered by the Public Trust and is primarily used for major beautification projects. As the sole beneficiary, Wellington City Council applies for distribution of available funds for particular projects after consultation with the Plimmer family. The receipt and use of these funds are disclosed separately to record the generous contribution the bequest makes to the benefit of the city.

As at 31 August 2019, the value of the estate held by the Public Trust was \$18.441m (31 August 2018: \$16.680m) but the distributions to the beneficiary are only available from an agreed percentage of revenue generated. The distributions are only drawn down as required.

During the year:

- Distributions recognised as revenue - \$0.158m
- Funds utilised towards the Newlands Park upgrade - \$0.159m, but \$1.474m is expected to be spent over the next two years.

Statement of cash flows

For the year ending 30 June 2020

| | Council | | | Group | |
|--|------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Actual | Actual | Actual |
| | 2020 | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from rates - Council | 316,718 | 326,123 | 308,800 | 316,718 | 308,800 |
| Receipts from rates- Greater Wellington Regional Council | 70,418 | 68,912 | 67,067 | 70,418 | 67,067 |
| Receipts from activities and other revenue | 144,334 | 120,915 | 150,295 | 168,958 | 192,299 |
| Receipts from grants and subsidies - Operating | 8,035 | 6,886 | 9,214 | 14,241 | 4,822 |
| Receipts from grants and subsidies - Capital | 26,837 | 25,481 | 30,201 | 26,977 | 31,004 |
| Receipts from investment property lease rentals | 10,861 | 11,215 | 11,528 | 10,861 | 11,528 |
| Cash paid to suppliers and employees | (356,198) | (353,846) | (357,387) | (412,922) | (417,167) |
| Rates paid to GWRC | (70,511) | (68,912) | (67,488) | (70,511) | (67,488) |
| Grants paid | (42,711) | (39,476) | (38,516) | (14,809) | (11,722) |
| Income tax paid | - | - | - | (9) | (123) |
| Net GST (paid) / received | (1,110) | - | (938) | (1,027) | (1,196) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 106,673 | 97,298 | 112,776 | 108,895 | 117,824 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Dividends received | 12,147 | 14,646 | 14,418 | 12,147 | 14,418 |
| Interest received | 2,280 | 13 | 2,879 | 2,530 | 3,110 |
| Loan repayments | - | - | 244 | 15 | 259 |
| Proceeds from sale of property, plant and equipment | 18,111 | 13,000 | 814 | 18,111 | 818 |
| Proceeds from sale of Intangibles | 837 | - | 195 | 837 | 195 |
| (Increase) / decrease in investments | (22,224) | - | (1,192) | (22,608) | (1,261) |
| Purchase of investment properties | (42) | - | (73) | (42) | (73) |
| Purchase of intangibles | (4,001) | (6,031) | (3,092) | (4,001) | (3,268) |
| Purchase of property, plant and equipment | (211,748) | (242,851) | (170,049) | (212,986) | (172,119) |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | (204,640) | (221,223) | (155,856) | (205,997) | (157,921) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| New borrowings | 154,269 | 244,462 | 154,742 | 154,269 | 154,742 |
| Repayment of borrowings | (67,294) | (125,000) | (47,930) | (67,294) | (47,930) |
| Interest paid on borrowings | (25,677) | (24,902) | (24,482) | (25,677) | (24,482) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | 61,298 | 94,560 | 82,330 | 61,298 | 82,330 |
| Net increase/(decrease) in cash and cash equivalents | (36,669) | (29,365) | 39,250 | (35,804) | 42,233 |
| Cash and cash equivalents at beginning of year | 135,246 | 160,025 | 95,996 | 149,089 | 106,856 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 98,577 | 130,660 | 135,246 | 113,285 | 149,089 |

The notes on pages XX to XX form part of and should be read in conjunction with the financial statements.

The cash and cash equivalents balance above equates to the cash and cash equivalents balance in the Statement of Financial Position.

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 accordingly.

The Council has ring fenced funds of \$52.537m (2019: \$42.755m) mainly relating to the housing upgrade project and waste activities. For more information see Note 23: Borrowings (page XX).

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 revenue sources of the Council and 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 revenue.

Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

Statement of cash flows – Major budget variations

Cash flow budgeting is performed using various assumptions around the timing of events and any departure from these timings will affect the outcome against budget.

Significant variations from the cash flow budgets are as follows:

Net cash flows from operating activities were \$9.375m higher than budget, variances include:

- \$9.405m lower receipts from rates mainly due to a \$5.3m increase in debtors reflecting the \$2.182m postponement of rates for instalment 4, due 1 June 2020, and the wider economic COVID-19 impact. Rates revenue was also affected by lower water meter consumption.
- \$23.419m higher revenue from activities and other revenue
- \$3.235m of increased grants paid which partially reflects financial assistance given in response to COVID-19, including additional funding of \$0.504m to the Wellington Zoo and Zealandia

Net cash flows from investing activities were \$16.583m lower than budget, variances include:

- \$2.499m lower dividends received mainly due to a reduced Airport dividend
- \$5.111m higher proceeds from sales of Property, plant and equipment
- \$31.103m less spent on purchases of Property, plant and equipment due to the full capital expenditure programme not being completed
- \$22.224m increase in investments with \$21m of extra term deposits greater than 3 months, reflecting prefunding for debt maturities in 2020/21

Net cash flows from financing activities were \$33.262m lower than budget mainly because:

- \$90.193m lower new borrowings due to lower than expected capital expenditure
- \$57.706m lower repayments of borrowings

Note 31: Reconciliation of net surplus / (deficit) to net cash flows from operating activities

The net surplus / (deficit) from the Statement of Comprehensive Revenue and Expense is reconciled to the net cash flows from operating activities in the Statement of Cash Flows as follows:

| Table 65: Reconciliation of net surplus/ (deficit) to net cash flows from operating activities | Council | | Group | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Net surplus/(deficit) for the period | 15,146 | (23,867) | 22,812 | (19,269) |
| Add/(deduct) non-cash items: | | | | |
| Vested assets | (7,599) | (13,110) | (7,599) | (13,110) |
| Bad debts written off not previously provided for | 6 | 132 | 13 | 136 |
| Depreciation and amortisation | 118,067 | 116,121 | 119,503 | 117,504 |
| Impairment of property, plant and equipment | 10,184 | 50,603 | 10,184 | 50,603 |
| Fair value changes in investment properties | (7,558) | (18,454) | (7,558) | (18,454) |
| Other fair value changes | (6) | 46 | 1 | 116 |
| Movement in provision for impairments of doubtful debts | 161 | (114) | 188 | (114) |
| Tax expense/(credit) | - | - | (541) | 250 |
| Non-cash movement in provisions | 4,706 | 1,111 | 4,706 | 1,104 |
| Total non-cash items | 117,961 | 136,335 | 118,897 | 138,035 |
| Add/(deduct) movement in working capital: ¹ | | | | |
| Exchange receivables and non-exchange recoverables | (39,448) | 781 | (38,424) | 2,483 |
| Prepayments | 9,486 | (2,982) | 9,515 | (3,491) |
| Inventories | (551) | 287 | (849) | 215 |
| Exchange transactions, taxes and transfers payables | (7,632) | 5,976 | (9,765) | 4,656 |
| Revenue in advance | 229 | (2,111) | 2,066 | (426) |
| Employee benefit liabilities | 1,614 | (197) | 1,449 | 188 |
| Provision for other liabilities | (1,160) | (9,306) | (850) | (9,235) |
| Total working capital movement | (37,462) | (7,552) | (36,858) | (5,610) |
| Add/(deduct) investing and financing activities: | | | | |
| Net (gain)/loss on disposal of property, plant and equipment | 433 | 613 | 447 | 458 |
| Net (gain)/loss on disposal of intangibles | (655) | 225 | (589) | 225 |
| Net (gain)/loss on disposal of investment property | - | (163) | - | (163) |
| Dividends received | (12,147) | (14,418) | (86) | (537) |
| Interest received | (2,280) | (2,879) | (2,469) | (3,025) |
| Tax paid and subvention receipts | - | - | (98) | (356) |
| Interest paid on borrowings | 25,677 | 24,482 | 25,677 | 24,482 |
| Share of equity accounted surplus in associates | - | - | (18,838) | (16,416) |
| Total investing and financing activities | 11,028 | 7,860 | 4,044 | 4,668 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 106,673 | 112,776 | 108,895 | 117,824 |

1. Excluding non-cash items

Other disclosures

Note 32: Financial instruments

Financial instruments include financial assets (loans and receivables or recoverables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. 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.

Relevant significant accounting policies

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 Group.

Financial Assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, receivables or recoverables and loans and deposits.

- Cash and cash equivalents comprise cash balances and bank deposits with maturity dates of three months or less.
- Receivables and recoverables 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 or recoverable.
- Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than three months.

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. Receivables or recoverables 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, rates penalties and water meter charges, no provision has been made for impairment in respect of these receivables or recoverables.

Financial assets at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Group for long-term strategic purposes and therefore are not intended to be sold. Within the Group, small shareholdings are held in start-up companies, which are available for sale, until the companies mature or cease operations. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

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 Liabilities

Financial liabilities include payables under exchange transactions, taxes, transfers 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.

Table 66 below, provides an analysis of the Group's financial assets and financial liabilities by reporting category as described in the accounting policies:

| Table 66: Financial Instruments by category | Council | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 2020 \$000 | 2019 \$000 | 2020 \$000 | 2019 \$000 |
| Financial assets | | | | |
| Loans and receivables | | | | |
| Cash and cash equivalents | 98,577 | 135,246 | 113,285 | 149,089 |
| Receivables and recoverables | 95,467 | 53,962 | 96,888 | 55,911 |
| Other financial assets | 40,191 | 17,531 | 42,466 | 19,056 |
| Total loans and receivables | 234,235 | 206,739 | 252,639 | 224,056 |
| Financial assets at fair value through other comprehensive revenue and expense | | | | |
| Other financial assets | 7,428 | 6,633 | 8,998 | 8,497 |
| Total financial assets at fair value through other comprehensive revenue and expense | 7,428 | 6,633 | 8,998 | 8,497 |
| Hedged derivative financial instruments | | | | |
| Derivatives designated as cash flow hedges | - | - | - | - |
| Total hedged derivative financial instruments | - | - | - | - |
| Total financial assets | 241,663 | 213,372 | 261,637 | 232,553 |
| Total non-financial assets | 8,134,908 | 7,567,729 | 8,339,414 | 7,757,118 |
| TOTAL ASSETS | 8,376,571 | 7,781,101 | 8,601,051 | 7,989,671 |
| Financial liabilities | | | | |
| Financial liabilities at amortised cost | | | | |
| Exchange transactions and transfers payable | 57,417 | 65,597 | 60,635 | 70,683 |
| Taxes payable | 8,185 | 6,599 | 8,458 | 6,780 |
| Borrowings | 775,931 | 688,956 | 775,979 | 689,033 |
| Total financial liabilities at amortised cost | 841,533 | 761,152 | 845,072 | 766,496 |
| Derivative financial instruments | | | | |
| Derivatives designated as cash flow hedges | 107,041 | 68,138 | 107,041 | 68,138 |
| Total derivative financial instruments | 107,041 | 68,138 | 107,041 | 68,138 |
| Total financial liabilities | 948,574 | 829,290 | 952,113 | 834,634 |
| Total non-financial liabilities | 86,814 | 81,646 | 94,494 | 88,092 |
| TOTAL LIABILITIES | 1,035,388 | 910,936 | 1,046,607 | 922,726 |

Fair value

The fair values of all financial instruments equate or are approximate 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:

- **Level 1** - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- **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.
- **Level 3** - Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

| | Level 1 | 2020 Level 2 | Level 3 | Level 1 | 2019 Level 2 | Level 3 |
|--|---------|--------------|---------|---------|--------------|---------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial assets | | | | | | |
| Financial assets at fair value through other comprehensive revenue and expense | - | - | 9,258 | - | - | 8,749 |
| Derivative financial instruments | | | | | | |
| - Cash flow hedges | - | - | - | - | - | - |
| Financial liabilities | | | | | | |
| Derivative financial instruments | | | | | | |
| - Cash flow hedges | - | 107,041 | - | - | 68,138 | - |

| | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Financial assets at fair value through other comprehensive revenue and expense | | | | |
| - Equity investments | | | | |
| Opening balance - 1 July | 6,633 | 6,137 | 8,749 | 8,167 |
| Purchases | - | - | 25 | 252 |
| Disposals | - | - | - | (95) |
| Impairment | - | - | - | (46) |
| Loss on investment | - | - | (296) | - |
| Gains or losses recognised in other comprehensive revenue and expense | - | 496 | 780 | 471 |
| Closing balance - 30 June | 6,633 | 6,633 | 9,258 | 8,749 |

The level 3 equity investments comprise the Group's shareholdings in the Local Government Funding Agency \$6.938m (2019: \$6.156m), Civic Assurance \$0.490m (2019: \$0.477m), the Creative HQ shareholdings \$1.570m (2019: \$1.864m) and a legacy investment by Wellington Museum's Trust of \$0.260m (2019:0.252m). Refer to Note 14: Other financial assets (page XX) for more details.

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 34: Contingencies (page XX)). 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 detailed in the following, *Table 69*.

| Table 69: Financial instruments with credit risk | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Cash and cash equivalents | 98,577 | 135,246 | 113,285 | 149,089 |
| Receivables and recoverables | 95,467 | 53,962 | 96,888 | 55,911 |
| Other financial assets | | | | |
| - Bank deposits - term > 3 months | 30,000 | 9,000 | 32,000 | 10,250 |
| - LGFA borrower notes | 10,152 | 8,496 | 10,152 | 8,496 |
| - Loans to related parties - other organisations | 39 | 35 | 39 | 35 |
| - Loans to external organisations | - | - | 15 | 23 |
| Total financial instruments with credit risk | 234,235 | 206,739 | 252,379 | 223,804 |

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in Note 34: Contingencies (page XX).

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.

| Table 70: Counterparties with credit ratings | Council | | Group | |
|---|---------|---------|--------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Cash - registered banks | | | | |
| AA- | 23,561 | 2,229 | 34,821 | 12,201 |
| Short term deposits - registered banks | | | | |
| AA- | 75,000 | 121,000 | 78,427 | 124,854 |
| A | - | 12,000 | - | 12,000 |
| Term deposits (greater than 3 months) - registered banks | | | | |
| AA- | 15,000 | 4,000 | 17,000 | 5,250 |
| A | 15,000 | 5,000 | 15,000 | 5,000 |
| Term deposits - borrower notes - NZ LGFA | | | | |
| AA+ | 10,152 | 8,496 | 10,152 | 8,496 |

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 in *Table 71* 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.

| Table 71: Contractual cash flows of financial liabilities excluding derivatives | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| 0-12 months | 259,165 | 210,370 | 262,453 | 215,665 |
| 1-2 years | 92,374 | 79,430 | 92,394 | 79,478 |
| 2-5 years | 279,342 | 260,958 | 279,342 | 260,958 |
| More than 5 years | 261,261 | 271,870 | 261,261 | 271,870 |
| Total contractual cash flows of financial liabilities excluding derivatives | 892,142 | 822,628 | 895,450 | 827,971 |
| Represented by: | | | | |
| Carrying amount as per the Statement of Financial Position | 841,766 | 761,151 | 845,074 | 766,494 |
| Future interest payable | 50,376 | 61,477 | 50,376 | 61,477 |
| Total contractual cash flows of financial liabilities excluding derivatives | 892,142 | 822,628 | 895,450 | 827,971 |

The following maturity analysis in *Table 72*, 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.

In addition to cash to be received in 2020/21 the Group currently has \$120.000m (2019: \$120.000m) in unutilised committed bank facilities available to settle obligations as well as \$177.173m (2019: \$205.000m) of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

| Table 72: Contractual cash flows of derivative financial liabilities | Council | | Group | |
|---|----------------|---------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| 0-12 months | 15,253 | 10,894 | 15,253 | 10,894 |
| 1-2 years | 15,477 | 10,698 | 15,477 | 10,698 |
| 2-5 years | 40,262 | 27,468 | 40,262 | 27,468 |
| More than 5 years | 40,507 | 24,146 | 40,507 | 24,146 |
| Total contractual cashflow of derivative financial liabilities | 111,499 | 73,206 | 111,499 | 73,206 |
| Represented by: | | | | |
| Future interest payable | 111,499 | 73,206 | 111,499 | 73,206 |
| Total contractual cash flows of derivative financial liabilities | 111,499 | 73,206 | 111,499 | 73,206 |

The Group 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 34: Contingencies (page XX).

The Group mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits as shown in *Table 73*.

| Period | Minimum | Maximum | Actual |
|-------------------|----------------|----------------|---------------|
| 0 - 3 years | 15% | 60% | 49% |
| 3 - 5 years | 15% | 60% | 21% |
| More than 5 years | 15% | 60% | 30% |

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 and the Council's treasury management advisors (presently PwC), 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.

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 Group uses interest rate swaps to maintain a required proportion of borrowing between fixed and floating interest rates, using a corridor policy, as specified in the liability management policy.

The proportion of gross borrowing at a fixed interest rate for the period ending 30 June 2020 is 67 percent.

Table 74 below shows the effect of the interest rate swaps at reducing the Council's and Group's exposure to interest rate risk:

| | Council | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Financial instruments subject to interest rate volatility - before effect of interest rate swaps | | | | |
| Cash and cash equivalents | 98,577 | 135,246 | 113,285 | 149,089 |
| Bank deposits - term greater than 3 months | 30,000 | 9,000 | 32,000 | 10,250 |
| Commercial paper | (68,000) | (85,000) | (68,000) | (85,000) |
| Debt securities - floating rate notes | (642,000) | (553,500) | (642,000) | (553,500) |
| Total financial instruments subject to interest rate volatility - before effect of interest rate swaps | (581,423) | (494,254) | (564,715) | (479,161) |
| Effect of interest rate swaps in reducing interest rate volatility | | | | |
| Effect of Cash flow interest rate swaps - hedged | 454,000 | 459,000 | 454,000 | 459,000 |
| Total effect of interest rate swaps in reducing interest rate volatility | 454,000 | 459,000 | 454,000 | 459,000 |
| Total financial instruments subject to interest rate volatility - after effect of interest rate swaps | (127,423) | (35,254) | (110,715) | (20,161) |

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 forecast current floating interest rate and the fixed swap interest rate discounted back to present value. At 30 June 2020 the fair value of the interest rate swaps was -\$107.041m (2019: -\$68.138m). The liability represents the forecast extra cash flows the Council is expected to pay from locking in fixed interest rates higher than current market rates

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 in Table 75 as follows.

| Table 75: Weighted effective interest rates | Council | | Group | |
|---|---------|------|-------|------|
| | 2020 | 2019 | 2020 | 2019 |
| | % | % | % | % |
| Investments | | | | |
| Cash and cash equivalents | 0.41 | 2.16 | 0.38 | 2.06 |
| Bank deposits - term | 2.59 | 2.57 | 2.58 | 2.64 |
| LGFA - borrower notes | 0.95 | 2.31 | 0.95 | 2.31 |
| Loans to related parties | - | - | - | - |
| Borrowings | | | | |
| Bank loans | 4.30 | 7.00 | 4.30 | 7.00 |
| Commercial paper | 0.49 | 1.75 | 0.49 | 1.75 |
| Debt securities - fixed | 3.01 | 3.91 | 3.01 | 3.91 |
| Debt securities - floating | 0.94 | 2.36 | 0.94 | 2.36 |
| Derivative financial instruments - hedged | 3.73 | 3.83 | 3.73 | 3.83 |

The related party loan to the Wellington Regional Stadium Trust is on interest free terms.

Sensitivity analysis

While the Group 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.

Table 76 below illustrates the potential surplus or deficit impact of a 1 percent change in interest rates based on the Group's exposures at the end of the reporting period:

| Table 76: Sensitivity to interest rate risk | | Group | | | |
|--|------|------------------------------|----------------|---|-----------------|
| | | 2020 | | | |
| | | \$000 | | | |
| | | +1% | -1% | +1% | -1% |
| Interest rate risk | Note | Effect on Surplus or Deficit | | Effect on Other Comprehensive Revenue and Expense | |
| Financial assets | | | | | |
| Cash and cash equivalents | a | 1,132 | (1,132) | - | - |
| LGFA - borrower notes | b | 102 | (102) | - | - |
| Term deposits > 3 months | c | 300 | (300) | - | - |
| Financial liabilities | | | | | |
| Derivatives - interest rate swaps - hedged | d | - | - | 41,410 | (46,021) |
| Debt securities - floating rate notes | e | 2,390 | (2,390) | - | - |
| Debt securities - fixed rate bonds | f | - | - | - | - |
| Bank term loans | g | - | - | - | - |
| Commercial paper | h | 170 | (170) | - | - |
| Total sensitivity to interest rate risk | | 4,094 | (4,094) | 41,410 | (46,021) |

a. Cash and cash equivalents

Group funds are in a number of different registered bank accounts with interest payable on the aggregation of all accounts. While most of the funds are held on short-term deposit, they are subject to interest rate movement on any subsequent reinvestment. A movement in interest rates of plus or minus 1 percent has an effect on interest revenue of \$1.132m accordingly.

b. LGFA borrower notes

The Group holds \$10.152m of borrower notes which are investments held by LGFA as part of their lending policy. They are subject to quarterly interest rate resetting. A movement in interest rates of plus or minus 1 percent has an effect on interest revenue of \$0.152m accordingly.

c. Bank term deposits > than 3 months

Bank deposits greater with bank maturities greater than 3 months are subject to interest rate movement on any subsequent reinvestment. A movement in interest rates of plus or minus 1 percent has an effect on interest revenue of \$0.300m accordingly.

d. Derivatives - hedged interest rate swaps

Derivatives include hedged interest rate swaps with a fair value totalling -\$107.041m. A movement in interest rates of plus 1 percent has an effect on increasing the unrealised value of the hedged interest rate swap liabilities by \$41.410m. A movement in interest rates of minus 1 percent has an effect on reducing the unrealised value of the hedged interest rate swap liabilities by \$46.021m.

e. Debt securities – floating rate notes

Debt securities at floating rates total \$642.000m. The full exposure to changes in interest rates has been reduced because the Group has \$403.000m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1 percent has an effect on the interest expense of \$2.390m accordingly.

f. Debt Securities – fixed rate bonds

The Group has \$60.000m of fixed rate bonds which are not exposed to interest rate changes.

g. Bank Loan

The Group, through the Council's joint operations with Porirua City Council has a bank term loan of \$5.931m. This loan consists of various loans provided to the joint operations through Porirua City Council borrowing. The interest rate applied is fixed at 4.3 percent for the joint venture partners and is not subject to interest rate risk.

h. Commercial paper

The Group has a Commercial Paper programme which is subject to floating rates and totals \$100.000m of which only \$68.000m is presently utilised. The full exposure to changes in interest rates has been reduced because the Group has \$51.000m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1 percent has an effect on the interest expense of \$0.170m accordingly.

Note 33: Commitments

| Table 77: Capital commitments | Council | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Approved and contracted - property, plant and equipment | 350,332 | 184,264 | 350,332 | 184,264 |
| Approved and contracted - investment properties | - | - | - | - |
| Approved and contracted - intangibles | - | - | - | - |
| Approved and contracted - share of associates | - | - | 4 | 4 |
| Approved and contracted - share of joint ventures | - | - | - | - |
| TOTAL CAPITAL COMMITMENTS | 350,332 | 184,264 | 350,336 | 184,268 |

The capital commitments in Table 77 above, represent signed contracts in place at the end of the reporting period.

The contracts will often span more than one financial year and may include capital expenditure carried forward from 2019/20 to future years.

Lease commitments

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 7: Expenditure on operating activities (page XX).

Relevant significant accounting policies

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.

The future expenditure committed by these leases is analysed as follows in Table 78:

| Table 78: Non-cancellable operating lease commitments as lessee | Council | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Plant and equipment | | | | |
| Not later than one year | - | - | 135 | 135 |
| Later than one year and not later than five years | - | - | 154 | 154 |
| Later than five years | - | - | - | - |
| Land and buildings | | | | |
| Not later than one year | 6,915 | 4,774 | 6,835 | 7,138 |
| Later than one year and not later than five years | 13,820 | 13,304 | 12,476 | 16,246 |
| Later than five years | 1,316 | 75 | - | 75 |
| TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE | 22,051 | 18,153 | 19,600 | 23,748 |

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 leases 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.

Relevant significant accounting policies

Rental revenue is recognised on a straight-line basis over the lease term.

The committed revenues expected from these lease portfolios are analysed as follows in *Table 79*.

| Table 79: Non-cancellable operating lease commitments as lessor | Council | | Group | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Investment properties | | | | |
| Not later than one year | 9,164 | 10,391 | 9,164 | 10,391 |
| Later than one year and not later than five years | 29,862 | 35,488 | 29,862 | 35,488 |
| Later than five years | 44,046 | 52,012 | 44,046 | 52,012 |
| Land and buildings | | | | |
| Not later than one year | 6,202 | 5,683 | 6,202 | 5,683 |
| Later than one year and not later than five years | 10,394 | 10,204 | 10,394 | 10,204 |
| Later than five years | 13,763 | 10,401 | 13,763 | 10,401 |
| TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR | 113,431 | 124,179 | 113,431 | 124,179 |

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

Note 34: Contingencies

| Table 80: Contingent liabilities | Council | | Group | |
|---|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$000 | \$000 | \$000 | \$000 |
| Uncalled capital - LGFA | 1,866 | 1,866 | 1,866 | 1,866 |
| Other legal proceedings | 89 | 299 | 89 | 299 |
| Share of associates' and jointly controlled entity's contingent liabilities | - | - | - | - |
| Share of joint ventures' contingent liabilities | - | - | - | - |
| TOTAL CONTINGENT LIABILITIES | 1,955 | 2,165 | 1,955 | 2,165 |

NZ Local Government Funding Agency Limited (LGFA)

Council is one of 64 local authority shareholder, borrower and guarantor councils of the LGFA. Any non-shareholder council that borrows in aggregate NZ\$20m or more from LGFA must be a guarantor. In this 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 2020, LGFA had borrowings totalling \$11,908m (2019: \$9,531m).

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, which is a member of the LGFA, that has had 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. Council considers that even if it was called upon to contribute the cost would not be material.

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 the Group is anticipated to be less than \$0.089m.

Structural defect claim

A large and novel claim alleging a breach of duty to a tenant of a commercial building was filed in August 2019. The claim is at an early stage. Council's current estimated financial exposure for this claim is \$50,000 being the insurance excess payable, which is included in the total above.

Unquantified contingent liabilities

Holiday Pay remediation

Council has completed an independent external audit to assist in determining our level of compliance with the Holidays Act. Through this process we have found that we have paid some payment types with incorrect Holidays Act configurations. However, we are yet to do the work to understand the level of remediation required.

Other claims

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.

The uncertainty that existed at the end of the current period and previous periods relating to a defective product has now been removed with a notice of discontinuance signed on 3 September 2020, with the Council no longer subject to this legal proceeding and no settlement was involved.

Contingent assets

The Council and Group have no contingent assets that can be quantified as at 30 June 2020 (2019: \$Nil)

COVID-19 support for related parties

Wellington International Airport Limited

As part of its COVID-19 pandemic response, Council agreed on 23 April 2020 to provide financial support to Wellington International Airport Limited in proportion to its 34 percent equity holding, if required. Along with Infratil Limited, who own the remaining 66 percent, the two shareholders will jointly provide an equity underwrite of up to nearly \$75.76 million. Council's share would be up to \$25.76m and Infratil's \$50m. The facility will be able to be drawn by WIAL, if required, through the issue of redeemable preference shares.

The actions of the shareholders ensure the Airport is soundly financed to meet all of its obligations and maintain the support of its lenders over the next two years as it recovers from the significant impacts of COVID-19 on the airline industry.

Wellington Regional Stadium Trust (WRST)

As a direct response to the COVID-19 pandemic, Council agreed, on 21 July 2020, to a joint loan facility between Council and Greater Wellington Regional Council to be made available to WRST. The loan facility to be used, if required, to fund operating deficits resulting from the impact of COVID-19 and to provide funding for the capital works required to continue with the strengthening of the Fran Wilde walkway. This loan is an unsecured facility of up to \$4.2m divided equally between the lenders with a fixed interest rate of 3.0 percent and is interest free for the first two years upon being drawn down.

Council Controlled entities

As part of the Annual Plan approval on 21 July 2020, Council agreed to an increase in the support for Council Controlled Organisations with a 'letter of comfort' and provision for additional grant funding of up to \$5.000m, noting that this will only be distributed based on the net impact from reduced revenues directly as a result of COVID-19.

Relevant significant accounting policies

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

Note 35: Joint Operations

The Council has significant interests in the following joint operations. Both of these are domiciled and operate in New Zealand. Porirua City Council operates these joint operations under an agreement which provides that all assets of the joint operation are owned by the two councils as tenants in common.

| Table 81: Joint Operations | Interest 2020 | Interest 2019 | Nature of business |
|---|--------------------------|--------------------------|---|
| Wastewater treatment plant – Porirua City Council | 27.60% | 27.60% | Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs. Ownership of the assets is in proportion to the capacity of the plant allocated to the two councils. |

| | | | |
|---|--------|--------|---|
| Spicer Valley Landfill – Porirua City Council | 21.50% | 21.50% | Owns and operates a sanitary landfill that provides services to Wellington City’s northern suburbs. Ownership of the assets is in proportion to the ratio of the populations of Porirua City and the area of the former Tawa Borough. |
|---|--------|--------|---|

The end of the reporting period for the joint operations is 30 June.

Relevant significant accounting policies

For joint operations the Council has a liability in respect of its share of joint operational deficits and liabilities, and shares in any operational surpluses and assets. The Council’s proportionate interest (eg. 21.5 percent of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

The Council’s and Group’s share of the joint operations’ capital commitments is \$Nil (2019: \$Nil) and contingent liabilities is \$Nil (2019: \$Nil).

Note 36: Related party disclosures

Relevant significant accounting policies

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel.

Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

Key management personnel

In this section, the Council discloses the remuneration and related party transactions of key management personnel. The remuneration payable to key management personnel of the Group’s other entities is disclosed separately within their individual financial statements and is not included in *Table 82* below.

| Table 82: Remuneration paid to key management personnel | Council | |
|--|------------------|------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Council Members | | |
| Remuneration | 1,789,623 | 1,611,660 |
| Chief Executive and Executive Leadership Team | | |
| Remuneration | 2,681,193 | 2,017,449 |
| TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL | 4,470,816 | 3,629,109 |

As at 30 June 2020 key management personnel comprised of 23 individuals: 15 elected members or 15 fulltime equivalents (2019: 15) and 8 executive leaders or 8 fulltime equivalents (2019: 6).

During the year several Executive Leadership Team (ELT) members including the Chief Executive left Council and new appointments were made or are pending as at 30 June 2020. In

the interim period a number of other senior managers were given acting roles to provide cover. The number of ELT members has also increased from the previous year reflecting structural changes within the organisation. The financial impact of this increase in numbers is reflected in the increased total remuneration shown in the table above.

Following the COVID-19 crisis, ELT members, in order to collectively demonstrate their commitment to the city's pandemic response, voluntarily agreed to a 10 percent salary sacrifice from 10 April to 31 December 2020.

For further disclosure of the remuneration payable to the Mayor, Councillors and the Chief Executive refer to Note 37: Remuneration and staffing (page XX).

Material related party transactions – key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services.

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 – structured entities

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 percent of the issued capital, with the Government holding the remaining 20 percent. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.866m representing 8.3 percent of paid-up capital.

During the year ending 30 June 2020 Council drew down new borrowings of \$123.500m and repaid \$20.000m. Interest expense was paid quarterly in arrears on these borrowings and interest revenue of \$0.033m was received on a borrower notes on maturity. Council received a dividend of \$0.086m as a shareholder.

Wellington International Airport Limited

COVID-19: Support for an underwrite of additional equity, if required. For more information refer to Note 34: Contingencies (page XX).

Material related party transactions – unstructured entities

Financial information relating to the Council's interests in unstructured entities is provided in *Tables 83 and 84* below:

Basin Reserve Trust (BRT)

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. 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 does not have an equity investment in the Trust but has influence over the Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust in alignment with the Council's objectives.

During the year ending 30 June 2020 Council contributed \$0.680m (2019: \$0.667m) to fund the core operations of the Trust.

| Table 83: Basin Reserve Trust | 2020 | 2019 |
|--|--------------|--------------|
| | \$000 | \$000 |
| <i>Summarised financial information of unstructured entity</i> | | |
| Total assets | 777 | 836 |
| Total liabilities | (194) | (259) |
| Net assets | 583 | 577 |
| Revenue | 1,605 | 957 |
| Expenses | (1,599) | (980) |
| Surplus / (deficit) | 6 | (23) |

Wellington Regional Stadium Trust (WRST)

Wellington Regional Stadium Trust was jointly created by Wellington City Council and Greater Wellington Regional Council. Wellington City Council does not have an equity investment in the Trust but has influence over the Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust in alignment with the Council's objectives.

Council holds a \$15m limited recourse loan to WRST which, 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 initial 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.

During the year ending 30 June 2020 Council transacted directly with WRST to the amount of \$0.373m (2019: \$0.840m) as part of the original \$5.000m funding grant recognised in 2016/17 for the upgrade of the concourse. To date Council has paid \$2.043m with \$2.957m remaining.

| Table 84: Wellington Regional Stadium Trust | 2020 | 2019 |
|--|----------------|---------------|
| | \$000 | \$000 |
| <i>Summarised financial information of unstructured entity</i> | | |
| Total assets | 96,032 | 97,941 |
| Total liabilities | (6,874) | (6,712) |
| Net assets | 89,158 | 91,229 |
| Revenue | 11,262 | 16,038 |
| Expenses | (13,333) | (14,296) |
| Surplus / (deficit) | (2,071) | 1,742 |

COVID-19: A new joint loan facility was agreed, if required. Refer to Note 34: Contingencies for more information (page XX).

Intra group transactions and balances

During the year the Council has entered into transactions with its joint operations partner Porirua City Council. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows in *Table 83*.

| Table 85: Intra group transactions and balances - Joint operation | 2020 | 2019 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Expenditure incurred by the Council to fund the operation and management of: | | |
| Porirua - waste water treatment plant | 1,850 | 2,016 |

During the year the Council has entered into transactions with its controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows in *Table 84*.

| Table 86: Intra group transactions and balances - Controlled entities | 2020 | 2019 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Revenue received by Council for services provided to: | | |
| Karori Sanctuary Trust | 36 | 42 |
| Wellington Cable Car Limited | 173 | 172 |
| Wellington Museums Trust | 1,442 | 1,440 |
| Wellington Regional Economic Development Agency | 27 | 117 |
| Wellington Zoo Trust | 342 | 908 |
| | 2,020 | 2,679 |
| Grant funding paid by Council for the operations and management of: | | |
| Karori Sanctuary Trust | 1,262 | 1,007 |
| Wellington Museums Trust | 9,300 | 9,110 |
| Wellington Regional Economic Development Agency | 12,610 | 12,178 |
| Wellington Zoo Trust | 3,680 | 3,320 |
| | 26,852 | 25,615 |
| Expenditure payments made by Council for services provided by: | | |
| Karori Sanctuary Trust | 23 | 17 |
| Wellington Cable Car Limited | - | 71 |
| Wellington Museums Trust | 264 | 68 |
| Wellington Regional Economic Development Agency | 5,086 | 6,055 |
| Wellington Zoo Trust | 1,244 | 1,902 |
| | 6,617 | 8,113 |
| Current receivables and recoverables owing to the Council from: | | |
| Karori Sanctuary Trust | 7 | 2 |
| Wellington Cable Car Limited | 52 | 52 |
| Wellington Museums Trust | 156 | 156 |
| Wellington Regional Economic Development Agency | - | 1 |
| Wellington Zoo Trust | 179 | 902 |
| | 394 | 1,113 |
| Current payables owed by the Council to: | | |
| Wellington Cable Car Limited | - | 27 |
| Wellington Museums Trust | 5 | 5 |
| Wellington Regional Economic Development Agency | 75 | 238 |
| Wellington Zoo Trust | 229 | 109 |
| | 309 | 379 |

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Payments to controlled entities

The total payments to controlled entities are \$33.469m (2019: \$33.056m) when the grant funding of \$26.852m (2019: \$25.615m) and expenditure for services provided to Council of \$6.617m (2019: \$8.113m) are combined.

During the year the Council has entered into several transactions with its associates and joint venture. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows in *Table 85*.

| Table 87: Intra group transactions and balances - Associates and joint venture | | 2020 | 2019 |
|---|--|---------------|---------------|
| | | \$000 | \$000 |
| Dividend received from: | | | |
| Wellington International Airport Limited | | 12,061 | 13,881 |
| Proceeds from Sale of land and buildings: | | | |
| Wellington International Airport Limited | | 2,536 | - |
| Revenue received by Council for services provided to: | | | |
| Wellington International Airport Limited | | 92 | 89 |
| Wellington Water Limited | | 1,205 | 839 |
| | | 1,297 | 928 |
| Expenditure payments made by Council for services provided by: | | | |
| Wellington International Airport Limited | | 47 | 32 |
| Wellington Water Limited | | 93,307 | 57,965 |
| | | 93,354 | 57,997 |
| Current receivables and recoverables owing to the Council from: | | | |
| Wellington International Airport Limited | | 26 | - |
| Wellington Water Limited | | 333 | 212 |
| | | 359 | 212 |
| Current payables owed by the Council to: | | | |
| Wellington Water Limited | | 6,945 | 1,754 |

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Note 37: Remuneration and staffing

Mayoral and Councillor remuneration

Remuneration

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year from 1 July 2019 to 30 June 2020 was \$1,789,623 (2019: \$1,611,660) and is broken down and classified as follows in *Table 86*.

| Table 88: Elected Council remuneration | Monetary Remuneration | | Non-monetary Remuneration | Total 2020 |
|---|-----------------------|---|---------------------------|------------------|
| | Salary | Allowances | | |
| | \$ | \$ | \$ | \$ |
| Present Council members | | | | |
| Foster, Andy (Mayor) | 154,102 | 200 | 5,827 | 160,129 |
| | - | | | |
| Calvert, Diane | 106,573 | 300 | 5,827 | 112,700 |
| Condie, Jenny | 76,581 | 100 | 4,059 | 80,740 |
| Day, Jill | 118,926 | 300 | 5,827 | 125,053 |
| Fitzsimons, Fleur | 106,573 | 300 | 5,827 | 112,700 |
| Foon, Laurie | 76,581 | 100 | 4,059 | 80,740 |
| Free, Sarah | 118,732 | 300 | 5,827 | 124,859 |
| Matthews, Rebecca | 76,581 | 100 | 4,059 | 80,740 |
| O'Neill, Teri | 76,581 | 100 | 4,059 | 80,740 |
| Pannett, Iona | 108,779 | 300 | 5,827 | 114,906 |
| Paul, Tamatha | 76,581 | 100 | 4,059 | 80,740 |
| Rush, Sean | 76,581 | 100 | 4,059 | 80,740 |
| Sparrow, Malcolm | 107,826 | 300 | 5,827 | 113,953 |
| Wolf, Simon | 106,573 | 300 | 5,827 | 112,700 |
| Young, Nicola | 106,573 | 300 | 5,827 | 112,700 |
| | - | | | |
| Previous Council members | - | | | |
| | - | | | |
| Lester, Justin (former Mayor) | 54,760 | - | 1,768 | 56,528 |
| Calvi-Freeman, Chris | 29,823 | 200 | 1,768 | 31,791 |
| Dawson, Brian | 29,823 | 200 | 1,768 | 31,791 |
| Gilberd, Peter | 29,823 | 200 | 1,768 | 31,791 |
| Lee, David | 29,823 | 200 | 1,768 | 31,791 |
| Marsh, Simon | 29,823 | 200 | 1,768 | 31,791 |
| | | | | |
| TOTAL REMUNERATION PAID TO COUNCIL MEMBERS | 1,698,018 | 4,200 | 87,405 | 1,789,623 |
| | | Total monetary remuneration | | 1,702,218 |
| | | Total non- monetary remuneration | | 87,405 |

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 2019/20 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Allowances – internet services and mobile phones

Councillors are able to choose either of the following two options:

The payment of a communication allowance of up to \$400 per annum (applicable from the start of the new triennium) 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.

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. The Remuneration Authority does permit Council to provide the Mayor with a vehicle for full private use, which is a taxable benefit and the current Mayor has taken up this option.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration (benefit) in relation to car parking spaces provided, regardless of whether they elect to use these or not.

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.

COVID-19: In response to the pandemic the Mayor and Councillors agreed to a 10 percent pay reduction. However, because Local Government elected members pay is determined by the independent Remuneration Authority and set in legislation, they therefore pledged to voluntarily donate 10 percent of their pay to charities of their choice. The Remuneration Authority have subsequently agreed to reduce some members' salaries for the period from 09 July 2020 to 06 January 2021.

Relevant significant accounting policies

Remuneration of elected members comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops.

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 in *Table 87*.

| Table 89: Community Board Member remuneration | Salary | Allowances | Other | Total 2020 |
|---|---------------|-------------------|--------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| TAWA COMMUNITY BOARD | | | | |
| Present Board members | | | | |
| Parkinson, Robyn (Chair) | 15,290 | 90 | - | 15,380 |
| Herbert, Richard (Deputy Chair) | 12,334 | 225 | - | 12,559 |
| Hansen, Graeme | 9,405 | - | - | 9,405 |
| Knight, Steph | 6,476 | - | - | 6,476 |
| Lacy, Jackson (includes Youth Council attendance fee) | 6,476 | - | 270 | 6,746 |
| Scott, Anna | 6,476 | - | - | 6,476 |
| Day, Jill (see Councillor remuneration above) | | | | |
| Sparrow, Malcolm (see Councillor remuneration above) | | | | |
| Previous Board members | | | | |
| Lucas, Margaret (Deputy Chair) | 2,929 | - | - | 2,929 |
| Langham, Liz | 2,929 | - | - | 2,929 |
| Marshall, Jack | 2,929 | - | - | 2,929 |
| MAKARA-OHARIU COMMUNITY BOARD | | | | |
| Present Board members | | | | |
| Apanowicz, John (Chair) | 7,961 | 90 | - | 8,051 |
| Grace, Christine (Deputy Chair) | 6,184 | 225 | - | 6,409 |
| Hoskins, Darren | 4,716 | - | - | 4,716 |
| Renner, Chris | 4,716 | - | - | 4,716 |
| Rudd, Wayne | 4,716 | - | - | 4,716 |
| Todd, Hamish | 4,716 | - | - | 4,716 |
| Previous Board members | | | | |
| Liddell, Judy | 1,469 | - | - | 1,469 |
| TOTAL REMUNERATION TO COMMUNITY BOARD MEMBERS | 99,722 | 630 | 270 | 100,622 |

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.

Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002.

Table 88 below, shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2020.

Under the terms of the agreement, the Chief Executive of the Council chooses how they wish to take their remuneration package (salary only or a combination of salary and benefits).

The remuneration package for the Chief Executive is a total of \$436,664 (2019: \$428,160)

During the year Kevin Lavery completed his contract with Council at the end of March 2020 and Barbara McKerrow, the Chief Operating Officer, was appointed as the replacement Chief Executive. Barbara began acting in the role from 3 February 2020 before assuming full control from 2 March 2020 and hence the total remuneration paid for the role is for greater than 12

months. The 10 percent salary sacrifice as discussed in Note 36: Related party disclosures, was applied to the remuneration paid from 10 April to 30 June 2020.

| Table 90: Remuneration of the Chief Executive | Council | |
|--|----------------|----------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Kevin Lavery (1 July 2019 to 31 March 2020) | | |
| Salary | 326,197 | 425,160 |
| Motor vehicle park (ended 31 January 2020) | 1,759 | 3,000 |
| Barbara McKerrow (from 2 March to 30 June 2020) | | |
| Salary | 134,578 | - |
| TOTAL REMUNERATION OF THE CHIEF EXECUTIVE | 462,534 | 428,160 |

Severances

In accordance with Schedule 10, section 33 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 or other contractual entitlement.

For the year ending 30 June 2020 the Council made severance payments to 13 employees totalling \$405,662 (2019: 19 employees, \$444,991).

The individual values of each of these severance payments are: \$41,627; \$19,498; \$10,495; \$26,625; \$110,074; \$7,574; \$49,084; \$60,742; \$5,750; \$7,711; \$5,529; \$14,987; \$21,747; \$3,288; \$20,931

Employee numbers and remuneration bands

Table 89 below, 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 breakdown of remuneration levels of those employees into various bands.

| Table 91: Employee numbers and remuneration bands | Council | |
|---|--------------|--------------|
| | 2020 | 2019 |
| Full-time and full-time equivalent employee numbers | | |
| Full-time employees (based on a 40 hour week) as at 30 June | 1,128 | 1,080 |
| Full-time equivalents for all other non full-time employees | 263 | 260 |
| TOTAL EMPLOYEES | 1,815 | 1,797 |

Of the 1815 (2019: 1,797) individual employees, 687 (2019: 717) work part-time or casually.

| Table 92: Remuneration bands | | Council 2020 |
|--|--|-------------------------|
| The number of employees receiving total annual remuneration of less than \$60,000 | | 991 |
| Of the 991 employees in this band, 640 are part-time or casual | | |
| The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000 | | |
| \$60,000 - \$79,999.99 | | 276 |
| \$80,000 - \$99,999.99 | | 254 |
| \$100,000 - \$119,999.99 | | 127 |
| \$120,000 - \$139,999.99 | | 81 |
| \$140,000 - \$159,999.99 | | 35 |
| \$160,000 - \$179,999.99 | | 21 |
| \$180,000 - \$199,999.99 | | 13 |
| \$200,000 - \$239,999.99* | | 7 |
| \$240,000 - \$299,999.99* | | 6 |
| \$300,000 - \$439,999.99* | | 4 |
| TOTAL EMPLOYEES | | 1,815 |

| Table 93: Remuneration bands | | Council 2019 |
|--|--|-------------------------|
| The number of employees receiving total annual remuneration of less than \$60,000 | | 1,050 |
| The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000 | | |
| \$60,000 - \$79,999.99 | | 260 |
| \$80,000 - \$99,999.99 | | 223 |
| \$100,000 - \$119,999.99 | | 116 |
| \$120,000 - \$139,999.99 | | 70 |
| \$140,000 - \$159,999.99 | | 35 |
| \$160,000 - \$179,999.99 | | 19 |
| \$180,000 - \$199,999.99 | | 10 |
| \$200,000 - \$239,999.99* | | 6 |
| \$240,000 - \$339,999.99* | | 6 |
| \$340,000 - \$439,999.99* | | 2 |
| TOTAL EMPLOYEES | | 1,797 |

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 we are legally required to combine it with the next highest band. This means that some rows span different bands across the two years shown.

Council has resolved that in addition to legislative requirements to disclose the above bandings it has also included the 2 lowest remuneration grades.

| Table 94: Lowest remuneration grades | Salary Range (\$) | 2020 |
|---|--------------------------|-------------|
| Q (Living Wage) | 44,113 | 344 |
| 9 | 44,133 - 57,602 | 412 |

The current living wage rate for Council is \$21.15 per hour. Each year the living wage rate for Council will be reviewed in accordance with the latest Living Wage rate announced/published by Living Wage Aotearoa.

Note 38: Events after the end of the reporting period

On 20 October 2020, the Council agreed to a settlement for its insurance claim related to the Civic Administration Building (CAB), which covers both the repair costs and the relocation costs. The amount of this settlement was \$38.0m and an amount of \$33.0m has been included within insurance recoveries revenue and receivables and recoverables for the year ended 30 June 2020 being the \$38.0m settlement amount less the deductible of \$5.0m.

The financial impact of COVID-19 to Council was significant as outlined in the separate disclosure on page XX. The impact has continued after 30 June 2020, with measures such as deferred payments for the rates instalment 1, due 1 September and other financial assistance measures such as additional grants which may or may not be required.

Despite the brief return to Alert Level 2 in August 2020 Council has been able to operate relatively as normal since first returning to Alert Level 1 in June 2020. The on-going financial impacts of COVID-19 will be disclosed in the 2020/21 Annual Report.

Financial prudence

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Council's results with other councils due to their size, location and provision of services.

During the 2018-28 Long-Term Plan process and with consultation with ratepayers, the Council revised the number of benchmarks and removed measures that were similar in nature and added no value in understanding of the measures to readers.

Annual report disclosure statement for year ending 30 June 2020

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's 2018-28 LTP.

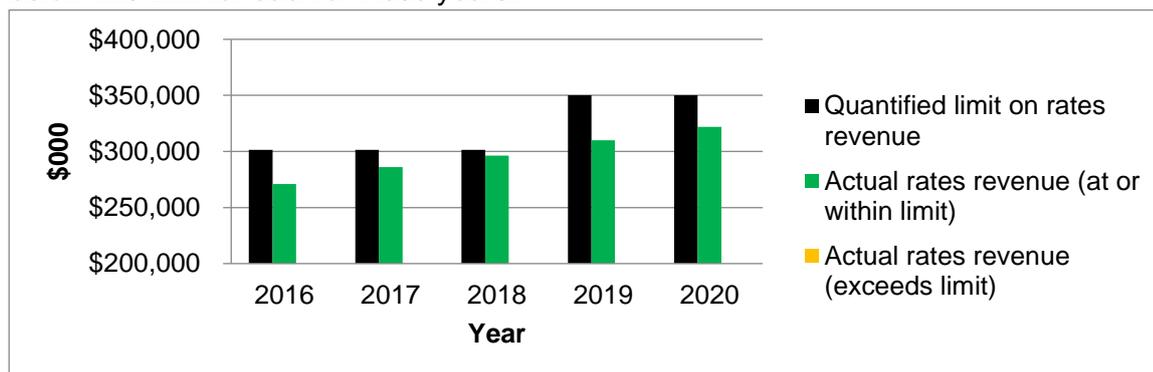
Rates affordability benchmark

The council meets the rates affordability benchmark if –

- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (revenue) affordability

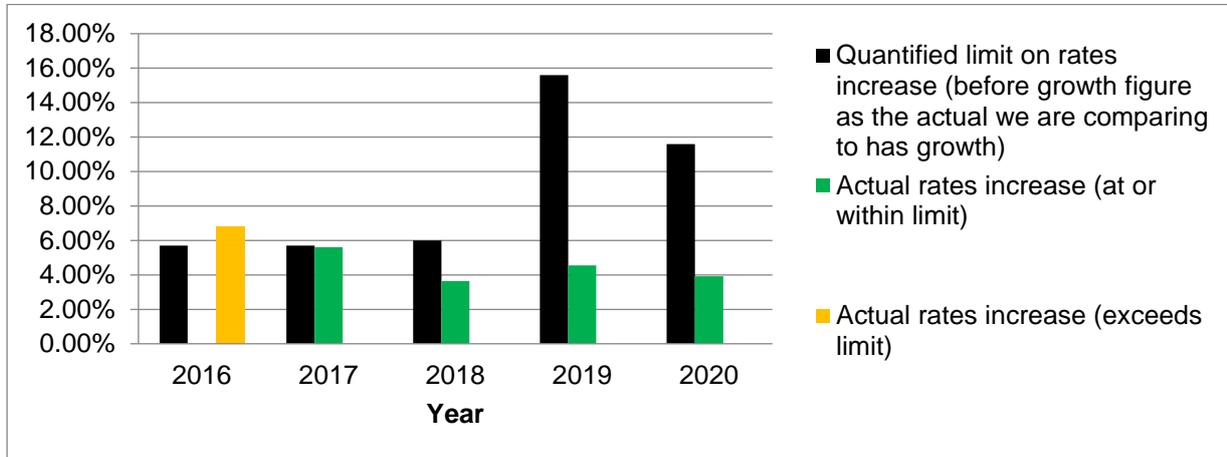
The following graph compares the council's actual rates revenue with a quantified dollar limit on rates revenue included in the financial strategy included in the council's long-term plan. The quantified limit for the first three years of the 2018-28 LTP, which encompasses the financial years 2018/19; 2019/20 and 2020/21 is \$350,000,000. This means rates revenue should remain below this limit for each of these years.



Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the council's long-term plan.

The quantified limit for 2019/20 is 11.6 percent although the actual rates increase set for the 2019/20 year was significantly lower than this limit. The rates increase proposed in the 2018-28 LTP is equivalent to an average rates increase of 3.5 percent over the first three years, which encompasses the financial years 2018/19; 2019/20 and 2020/21.

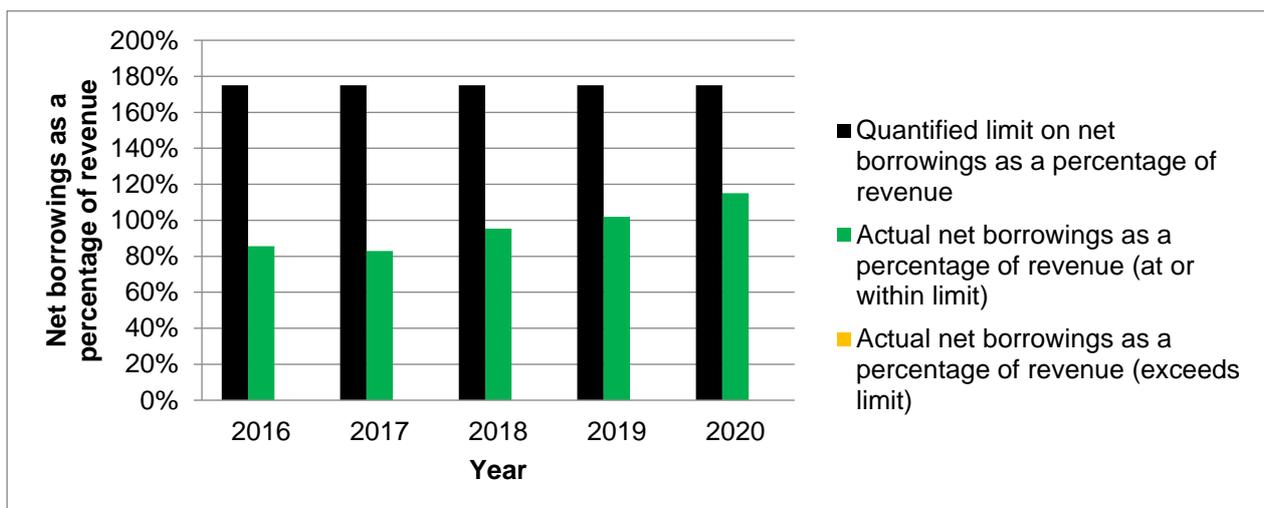


Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has seven measures for debt affordability and these are set out below. The suitability of these measures has been assessed by Council's professional advisers, PricewaterhouseCoopers Wellington.

Net borrowing as a percentage of revenue¹²

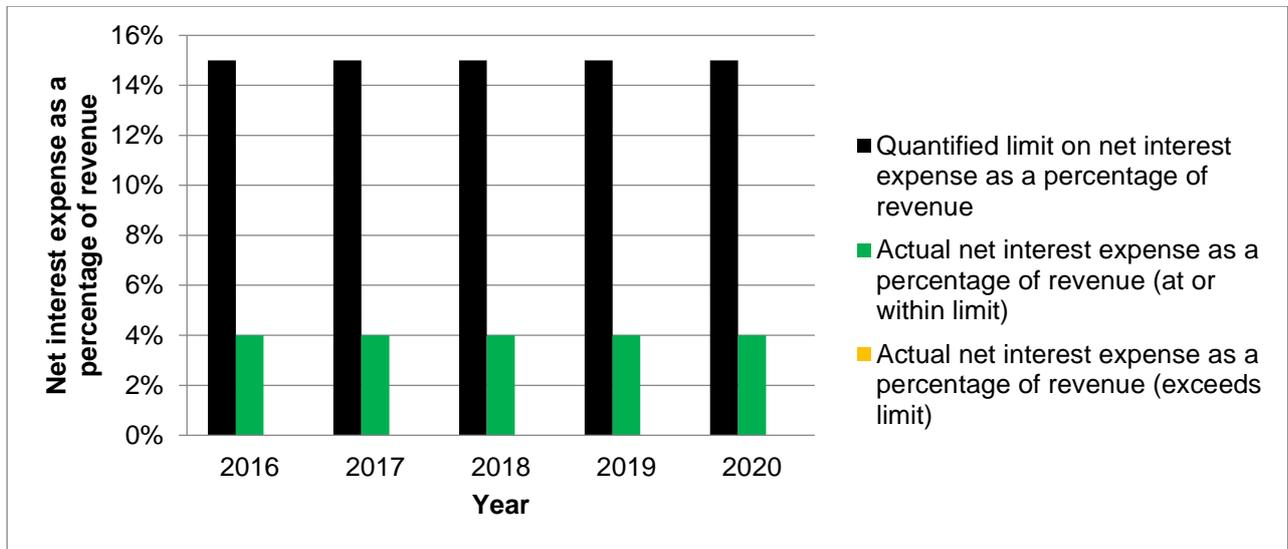
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 175 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



¹² The revenue figure used for this calculation of Net Borrowing as percentage of Revenue and Net Interest as a percentage of Revenue is Total Revenue less Vested Assets and Development Contribution Revenue.

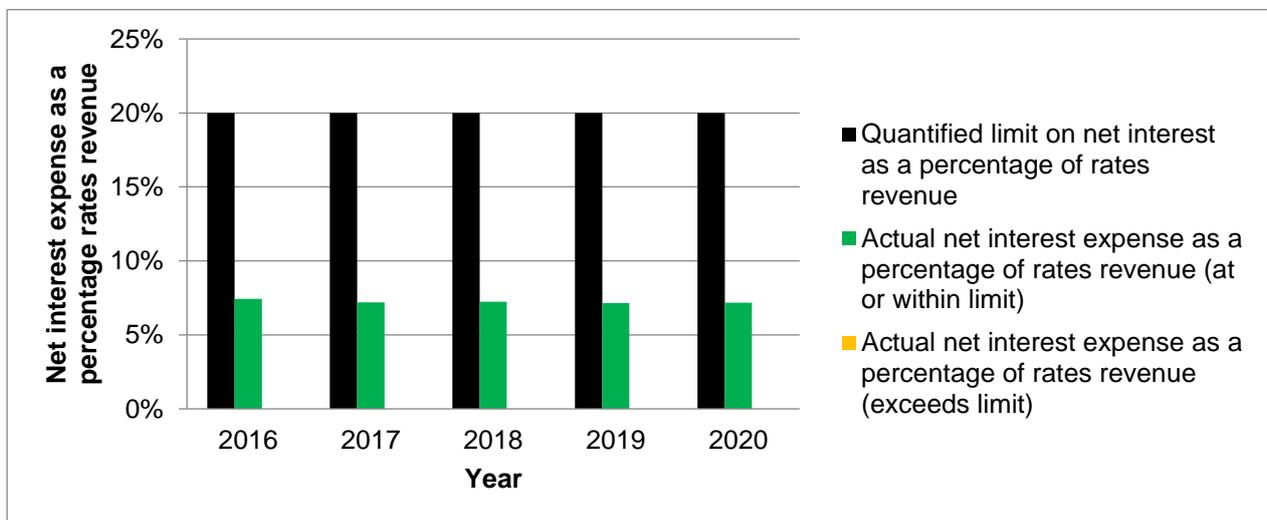
Net interest as a percentage of revenue¹

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 15 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



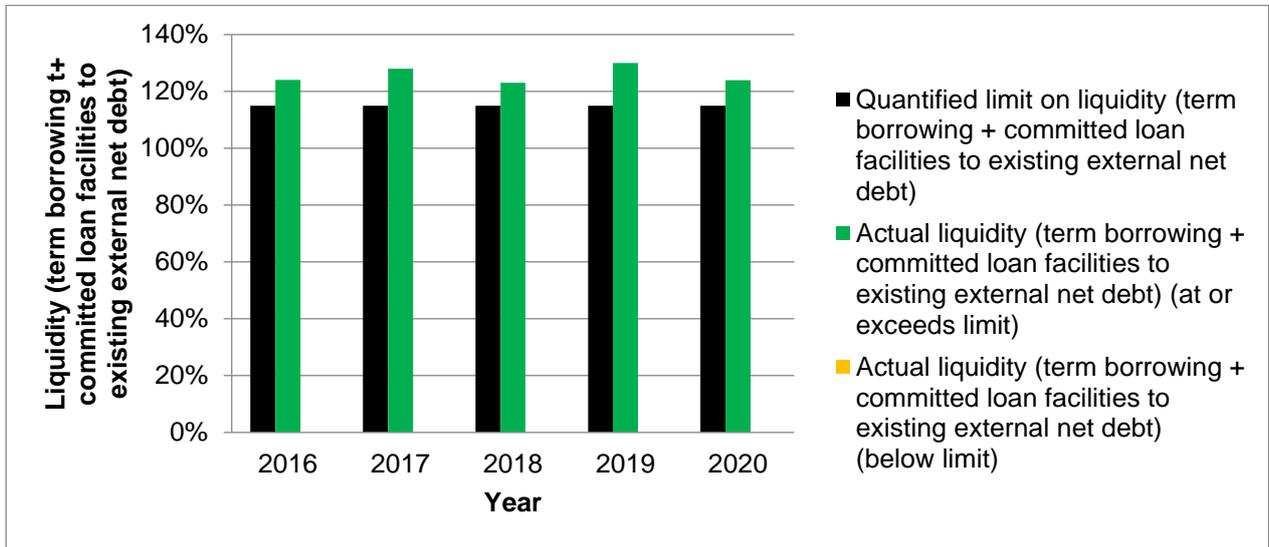
Net interest as a percentage of annual rates revenue

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 20 percent of annual rates revenue.



Liquidity (term borrowing + committed loan facilities to existing external net debt)

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is liquidity being greater than or equal to 115 percent. For debt affordability, liquidity is the total of Councils existing external net debt. Net borrowings for debt affordability are defined as borrowings less cash and cash equivalents.

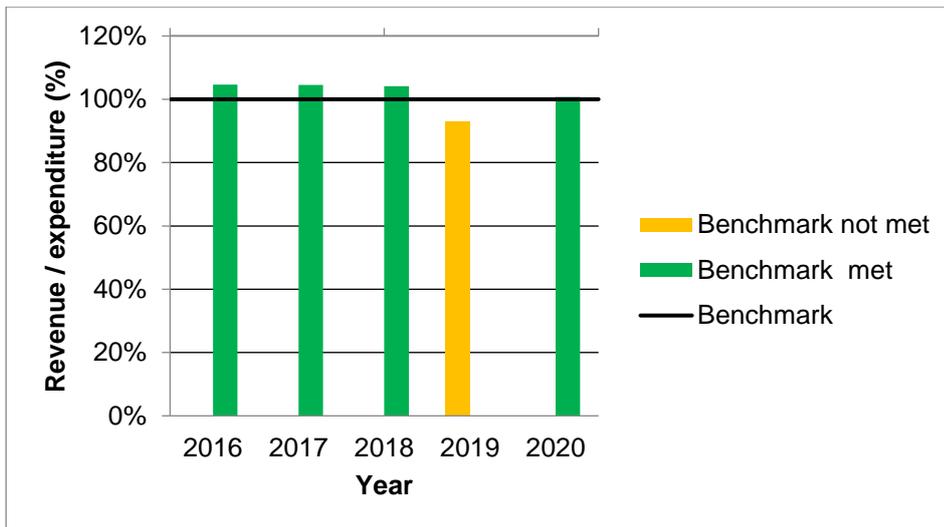


Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses.

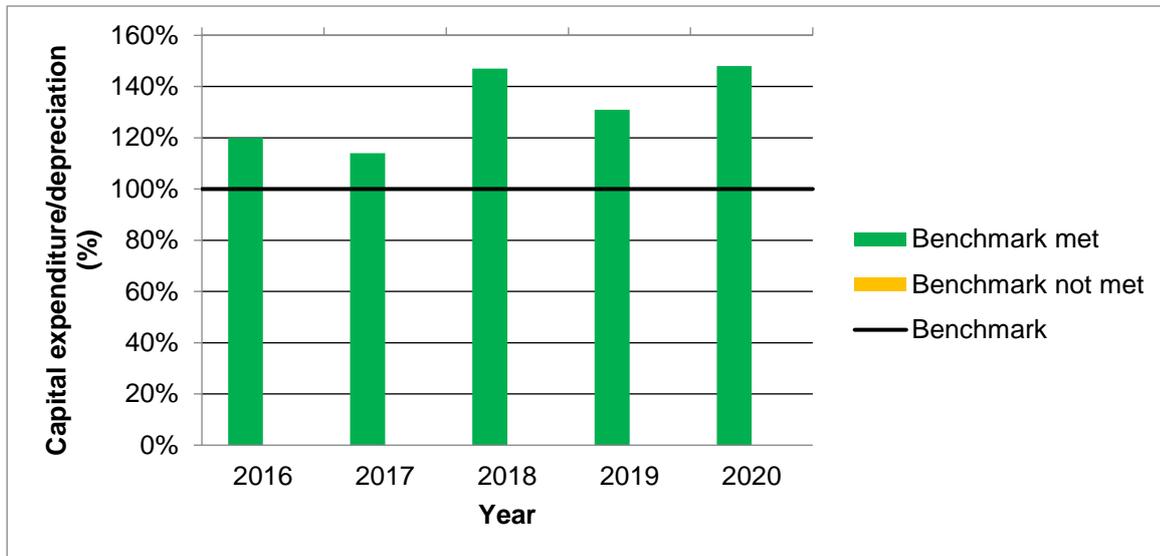
For the purposes of this benchmark, impairments, which represent a non-cash movement in the valuation of assets, were included in the calculation. These unbudgeted impairments represent asset valuation movements relating to Civic Precinct buildings as disclosed in the financial statements. For 2017, 2019 and 2020 impairments of \$11.446m, \$50.603m and \$10.183m were included in the calculation. If these were excluded, the benchmarks for 2017, 2019 and 2020 would be 107 percent, 102 percent and 103 percent respectively.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

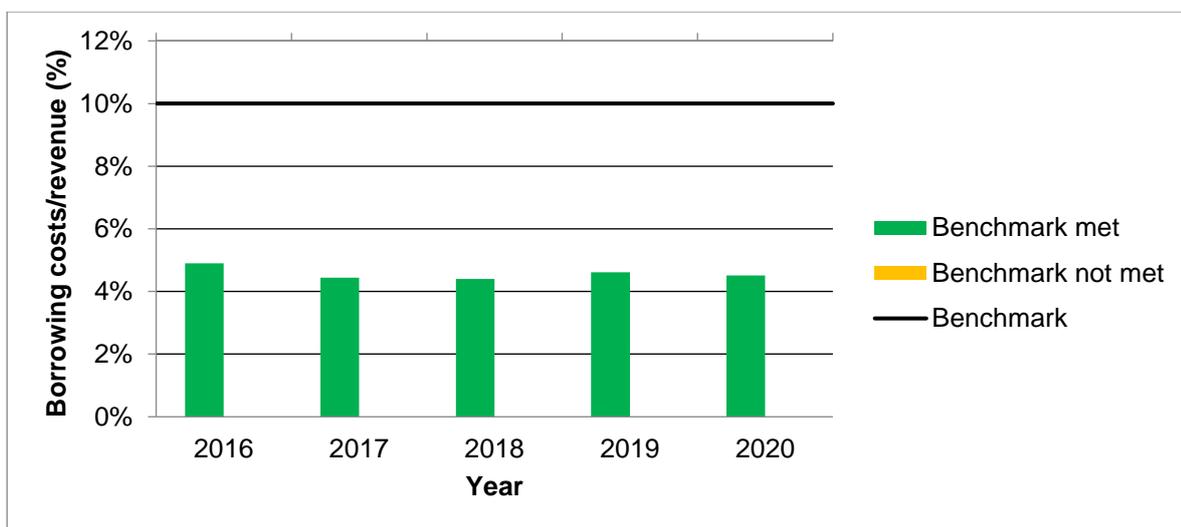
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10 percent of its revenue.

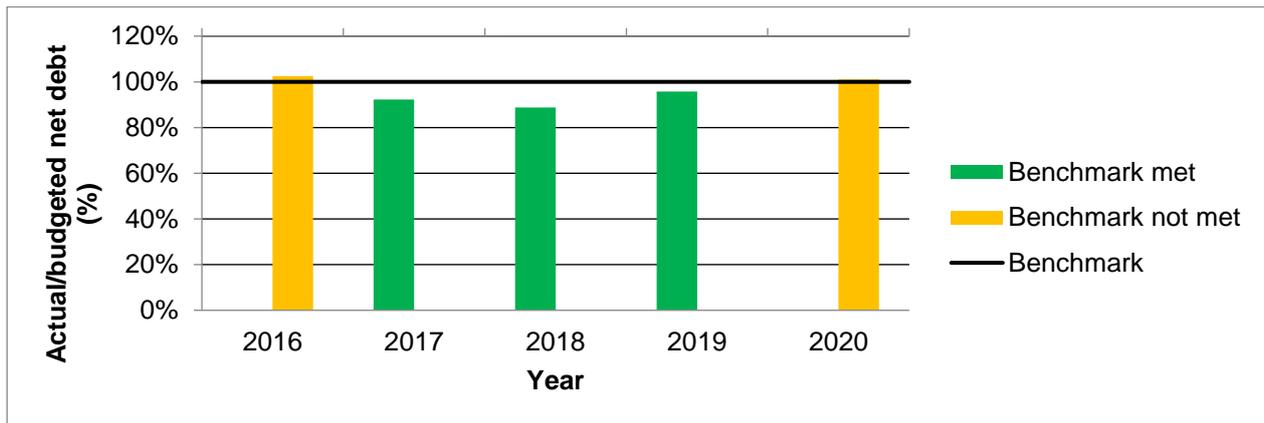


Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The calculation of net debt in this benchmark includes derivative (non-cash) financial instruments, predominantly cash flow hedges. The 2019/20 net debt was impacted by the valuation of the Council's cash flow hedge liabilities being higher than planned as a result of interest rate volatility during the financial year. Actual net borrowings at \$647.4m were lower than planned net borrowings of \$672.3m.

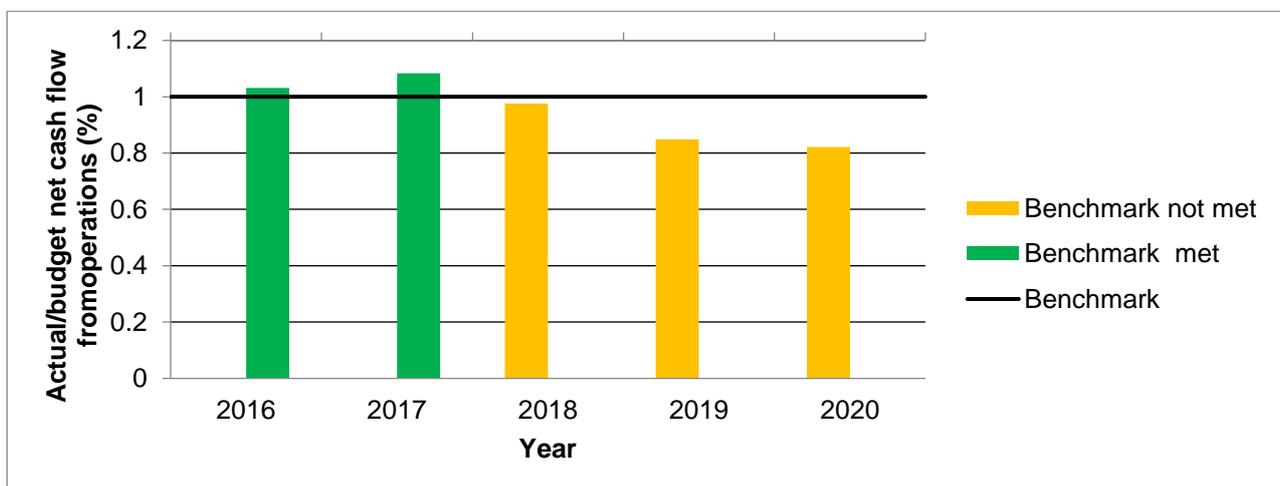


Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

A number of assumptions are made around the timing of events. Any departure from these assumptions can affect the outcome of this measure. The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2017/18, 2018/19 and 2019/20 years explained by the timing difference in the receipt of revenues compared to budget that lead to the "not met" outcome for this measure. In 2019/20 there were also significant revenue losses due to the COVID-19 lockdown which would have impacted this measure.



Funding impact statements

Annual report disclosure statement for year ending 30 June 2020

What is the purpose of these statements?

An annual report must include an audited funding impact statement for the financial year to which the report relates. The purpose of the Funding impact statements is to disclose the amount of funds produced from each source of funding, identify how the funds were applied and compare this information against the information included in the LTP.

One statement is prepared for the whole of Council's activities and individual statements are prepared for each strategic activity.

The application of capital funding is summarised in an additional table on page XX.

| Funding impact statement for 1 July 2019 to 30 June 2020 for Whole of Council | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 176,468 | 176,119 | 185,248 | 188,020 | 185,379 |
| Targeted rates | 134,237 | 133,768 | 139,499 | 137,837 | 136,642 |
| Subsidies and grants for operating purposes | 6,673 | 9,214 | 6,682 | 7,862 | 8,034 |
| Fees and charges | 146,430 | 134,274 | 149,063 | 150,153 | 165,001 |
| Interest and Dividends from investments | 12,994 | 17,188 | 14,659 | 14,659 | 14,399 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 8,850 | 8,291 | 8,774 | 8,547 | 7,770 |
| Total operating funding (A) | 485,652 | 478,854 | 503,925 | 507,078 | 517,225 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 327,074 | 335,275 | 334,718 | 350,791 | 345,533 |
| Finance costs | 24,918 | 25,411 | 30,902 | 24,902 | 26,234 |
| Internal charges and overheads applied | 39,276 | 34,469 | 41,084 | 42,125 | 31,447 |
| Internal charges and overheads recovered | (39,276) | (34,469) | (41,084) | (42,125) | (31,447) |
| Other operating funding applications | 39,042 | 42,094 | 43,068 | 56,764 | 48,058 |
| Total applications of operating funding (B) | 391,034 | 402,780 | 408,688 | 432,457 | 419,826 |
| Surplus (deficit) of operating funding (A - B) | 94,618 | 76,074 | 95,237 | 74,621 | 97,399 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | 34,035 | 31,311 | 23,700 | 25,993 | 27,349 |
| Development and financial contributions | 2,000 | 2,898 | 2,000 | 2,000 | 3,567 |
| Increase (decrease) in debt | 94,144 | 69,985 | 106,552 | 138,419 | 96,420 |
| Gross proceeds from sales of assets | 2,000 | 820 | 12,000 | 13,000 | 18,786 |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 132,179 | 105,014 | 144,252 | 179,411 | 146,122 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | 1,843 | 1,775 | 261 | 1,078 | 5,008 |
| - to improve the level of service | 109,488 | 72,685 | 117,486 | 102,099 | 83,477 |
| - to replace existing assets | 131,989 | 97,242 | 112,156 | 137,275 | 124,623 |
| Increase (decrease) in reserves | (16,523) | 9,386 | 9,586 | 13,580 | 30,414 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 226,797 | 181,088 | 239,489 | 254,032 | 243,522 |
| Surplus (deficit) of capital funding (C - D) | (94,618) | (76,074) | (95,237) | (74,621) | (97,399) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 117,158 | 115,423 | 121,962 | 124,573 | 117,270 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Governance, Information and Engagement | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| 1.1 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 17,209 | 17,209 | 17,751 | 18,690 | 18,690 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 535 | 511 | 924 | 894 | 766 |
| Internal charges and overheads recovered | - | 2 | - | - | 44 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 17,744 | 17,722 | 18,675 | 19,584 | 19,500 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 10,416 | 9,868 | 11,483 | 12,186 | 11,263 |
| Finance costs | 15 | 14 | 19 | 15 | 15 |
| Internal charges and overheads applied | 7,262 | 7,692 | 7,143 | 7,358 | 8,141 |
| Other operating funding applications | 10 | 11 | 10 | 10 | 76 |
| Total applications of operating funding (B) | 17,703 | 17,585 | 18,655 | 19,569 | 19,495 |
| Surplus (deficit) of operating funding (A - B) | 41 | 137 | 20 | 15 | 5 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 10 | (37) | 103 | 107 | 31 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 10 | (37) | 103 | 107 | 31 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 51 | - | 123 | 123 | 48 |
| Increase (decrease) in reserves | - | 100 | - | (1) | (12) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 51 | 100 | 123 | 122 | 36 |
| Surplus (deficit) of capital funding (C - D) | (41) | (137) | (20) | (15) | (5) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 41 | 37 | 20 | 15 | 17 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Maori and Mana Whenua partnerships | | | | | |
|---|------------|-------------|------------|------------|-------------|
| 1.2 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 306 | 306 | 314 | 316 | 316 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | - | 45 | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 306 | 351 | 314 | 316 | 316 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 277 | 327 | 283 | 283 | 278 |
| Finance costs | 1 | 1 | 1 | 1 | 1 |
| Internal charges and overheads applied | 16 | 31 | 16 | 16 | 25 |
| Other operating funding applications | 10 | - | 10 | 10 | - |
| Total applications of operating funding (B) | 304 | 359 | 310 | 310 | 304 |
| Surplus (deficit) of operating funding (A - B) | 2 | (8) | 4 | 6 | 12 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | (2) | (2) | (4) | (6) | (3) |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | (2) | (2) | (4) | (6) | (3) |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | - | - | - | - | - |
| Increase (decrease) in reserves | - | (10) | - | - | 9 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | - | (10) | - | - | 9 |
| Surplus (deficit) of capital funding (C - D) | (2) | 8 | (4) | (6) | (12) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 2 | 2 | 4 | 2 | 3 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Gardens, beaches and green open spaces | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 2.1 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 38,056 | 38,056 | 40,308 | 40,551 | 40,551 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | 966 | 1,133 | 969 | 969 | 1,153 |
| Fees and charges | 2,097 | 2,281 | 2,119 | 2,027 | 1,852 |
| Internal charges and overheads recovered | 5,719 | 4,834 | 6,022 | 5,900 | 4,286 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | 1 | - | - | 7 |
| Total operating funding (A) | 46,838 | 46,305 | 49,418 | 49,447 | 47,849 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 22,553 | 23,144 | 24,049 | 24,040 | 22,364 |
| Finance costs | 2,818 | 2,136 | 3,446 | 2,978 | 2,013 |
| Internal charges and overheads applied | 14,454 | 14,465 | 14,851 | 15,041 | 13,551 |
| Other operating funding applications | 165 | 165 | 166 | 114 | 186 |
| Total applications of operating funding (B) | 39,990 | 39,910 | 42,512 | 42,173 | 38,114 |
| Surplus (deficit) of operating funding (A - B) | 6,848 | 6,395 | 6,906 | 7,274 | 9,735 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | 18 | - | - | 443 |
| Development and financial contributions | 183 | 400 | 183 | 183 | 519 |
| Increase (decrease) in debt | (314) | 1,224 | (1,081) | 1,428 | (399) |
| Gross proceeds from sales of assets | - | 50 | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | (131) | 1,692 | (898) | 1,611 | 563 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 3,675 | 3,840 | 3,042 | 3,503 | 2,175 |
| - to replace existing assets | 3,042 | 2,605 | 2,966 | 5,381 | 3,167 |
| Increase (decrease) in reserves | - | 1,642 | - | 1 | 4,956 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 6,717 | 8,087 | 6,008 | 8,885 | 10,298 |
| Surplus (deficit) of capital funding (C - D) | (6,848) | (6,395) | (6,906) | (7,274) | (9,735) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 6,670 | 8,632 | 6,906 | 7,274 | 8,097 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Waste reduction and energy conservation | | | | | |
|--|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 2.2 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 708 | 708 | 727 | 718 | 718 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | 25 | - | - | - |
| Fees and charges | 15,833 | 16,347 | 16,500 | 16,722 | 20,105 |
| Internal charges and overheads recovered | - | 252 | - | - | 334 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | 1 | - | - | - |
| Total operating funding (A) | 16,541 | 17,333 | 17,227 | 17,440 | 21,157 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 14,104 | 17,259 | 14,669 | 15,458 | 17,509 |
| Finance costs | 742 | 739 | 773 | 749 | 1,235 |
| Internal charges and overheads applied | 1,054 | 1,612 | 1,019 | 1,046 | 692 |
| Other operating funding applications | 180 | 98 | 180 | 180 | 276 |
| Total applications of operating funding (B) | 16,080 | 19,708 | 16,641 | 17,433 | 19,713 |
| Surplus (deficit) of operating funding (A - B) | 461 | (2,375) | 586 | 7 | 1,445 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | (77) | - | - | 176 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 5,201 | 3,578 | 7,763 | 5,350 | (27) |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 5,201 | 3,501 | 7,763 | 5,350 | 149 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 5,662 | 1,396 | 8,349 | 5,358 | 2,059 |
| Increase (decrease) in reserves | - | (270) | - | (1) | (466) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 5,662 | 1,126 | 8,349 | 5,357 | 1,593 |
| Surplus (deficit) of capital funding (C - D) | (461) | 2,375 | (586) | (7) | (1,445) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 461 | 640 | 586 | 651 | 890 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Water | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 2.3 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - |
| Targeted rates | 45,330 | 45,330 | 46,941 | 47,027 | 47,027 |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 37 | 61 | 38 | 38 | 70 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 45,367 | 45,391 | 46,979 | 47,065 | 47,097 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 25,783 | 25,731 | 27,473 | 27,632 | 28,581 |
| Finance costs | 2,342 | 2,152 | 2,946 | 2,267 | 2,275 |
| Internal charges and overheads applied | 1,923 | 2,268 | 1,980 | 1,978 | 2,909 |
| Other operating funding applications | - | - | - | - | 2 |
| Total applications of operating funding (B) | 30,048 | 30,151 | 32,399 | 31,877 | 33,767 |
| Surplus (deficit) of operating funding (A - B) | 15,319 | 15,240 | 14,580 | 15,188 | 13,330 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | 671 | 677 | 671 | 671 | 714 |
| Increase (decrease) in debt | 2,436 | (2,963) | 8,696 | 6,156 | 6,859 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 3,107 | (2,286) | 9,367 | 6,827 | 7,573 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 9,553 | 4,665 | 17,216 | 14,260 | 13,812 |
| - to replace existing assets | 8,873 | 7,504 | 6,731 | 7,756 | 8,608 |
| Increase (decrease) in reserves | - | 785 | - | (1) | (1,517) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 18,426 | 12,954 | 23,947 | 22,015 | 20,903 |
| Surplus (deficit) of capital funding (C - D) | (15,319) | (15,240) | (14,580) | (15,188) | (13,330) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 15,319 | 14,456 | 14,580 | 15,189 | 14,847 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Wastewater | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 2.4 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - |
| Targeted rates | 43,333 | 43,333 | 45,194 | 44,337 | 44,337 |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 1,237 | 1,059 | 1,267 | 1,267 | 1,190 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 44,570 | 44,392 | 46,461 | 45,604 | 45,527 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 23,205 | 21,431 | 23,848 | 24,325 | 33,830 |
| Finance costs | 4,046 | 3,865 | 4,760 | 4,002 | 4,028 |
| Internal charges and overheads applied | 5,095 | 6,770 | 5,220 | 5,217 | 7,928 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding (B) | 32,346 | 32,066 | 33,828 | 33,544 | 45,786 |
| Surplus (deficit) of operating funding (A - B) | 12,224 | 12,326 | 12,633 | 12,060 | (259) |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | 245 | - | - | 1 |
| Development and financial contributions | 549 | 720 | 549 | 549 | 864 |
| Increase (decrease) in debt | (4,035) | (3,015) | (3,316) | (2,322) | 21,125 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | (3,486) | (2,050) | (2,767) | (1,773) | 21,990 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 3,406 | 3,439 | 901 | 901 | 746 |
| - to replace existing assets | 5,332 | 6,068 | 8,965 | 9,387 | 22,866 |
| Increase (decrease) in reserves | - | 769 | - | (1) | (1,881) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 8,738 | 10,276 | 9,866 | 10,287 | 21,731 |
| Surplus (deficit) of capital funding (C - D) | (12,224) | (12,326) | (12,633) | (12,060) | 259 |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 14,134 | 13,467 | 14,543 | 14,134 | 13,572 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Stormwater | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 2.5 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | - | - | - | - | - |
| Targeted rates | 19,097 | 19,097 | 20,359 | 19,420 | 19,420 |
| Subsidies and grants for operating purposes | 153 | 127 | 153 | 153 | 120 |
| Fees and charges | 10 | 4 | 10 | 10 | 1 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 19,260 | 19,228 | 20,522 | 19,583 | 19,541 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 6,973 | 6,842 | 7,223 | 7,363 | 6,672 |
| Finance costs | 2,493 | 2,339 | 3,136 | 2,443 | 2,522 |
| Internal charges and overheads applied | 1,857 | 2,185 | 1,924 | 1,919 | 2,535 |
| Other operating funding applications | - | - | - | - | - |
| Total applications of operating funding (B) | 11,323 | 11,366 | 12,283 | 11,725 | 11,729 |
| Surplus (deficit) of operating funding (A - B) | 7,937 | 7,862 | 8,239 | 7,858 | 7,812 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | 58 | 55 | 58 | 58 | 89 |
| Increase (decrease) in debt | 3,343 | 1,503 | 1,050 | 1,608 | (3,766) |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 3,401 | 1,558 | 1,108 | 1,666 | (3,677) |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 7,729 | 3,151 | 902 | 902 | 209 |
| - to replace existing assets | 3,609 | 5,906 | 8,445 | 8,622 | 3,756 |
| Increase (decrease) in reserves | - | 363 | - | - | 170 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 11,338 | 9,420 | 9,347 | 9,524 | 4,135 |
| Surplus (deficit) of capital funding (C - D) | (7,937) | (7,862) | (8,239) | (7,858) | (7,812) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 7,937 | 7,499 | 8,239 | 7,858 | 7,642 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Conservation attractions | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 2.6 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 6,829 | 6,829 | 7,001 | 6,927 | 6,927 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | | | | | |
| Fees and charges | - | 2 | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 6,829 | 6,831 | 7,001 | 6,927 | 6,927 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 171 | 179 | 174 | 177 | 176 |
| Finance costs | 627 | 604 | 689 | 632 | 578 |
| Internal charges and overheads applied | - | 1 | - | - | - |
| Other operating funding applications | 4,327 | 4,327 | 4,438 | 4,438 | 4,942 |
| Total applications of operating funding (B) | 5,125 | 5,111 | 5,301 | 5,247 | 5,696 |
| Surplus (deficit) of operating funding (A - B) | 1,704 | 1,720 | 1,700 | 1,680 | 1,231 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | 475 | 475 | 720 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | (554) | 236 | (217) | (197) | (1,265) |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | (554) | 236 | 258 | 278 | (545) |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | 133 |
| - to replace existing assets | 1,150 | 1,896 | 1,076 | 1,076 | 1,056 |
| Increase (decrease) in reserves | - | 60 | 882 | 882 | (503) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 1,150 | 1,956 | 1,958 | 1,958 | 686 |
| Surplus (deficit) of capital funding (C - D) | (1,704) | (1,720) | (1,700) | (1,680) | (1,231) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 1,704 | 1,660 | 1,700 | 1,681 | 1,735 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for City promotions and business support | | | | | |
|---|---------------|---------------|----------------|---------------|----------------|
| 3.1 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 4,865 | 4,865 | 4,701 | 5,615 | 5,615 |
| Targeted rates | 14,160 | 14,160 | 14,318 | 15,006 | 15,006 |
| Subsidies and grants for operating purposes | - | 748 | - | - | 52 |
| Fees and charges | 14,643 | 346 | 14,953 | 14,953 | 281 |
| Internal charges and overheads recovered | - | 35 | - | - | 0 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 33,668 | 20,154 | 33,972 | 35,574 | 20,954 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 17,784 | 3,838 | 18,279 | 18,555 | 3,524 |
| Finance costs | 1,323 | 1,013 | 2,124 | 1,239 | 1,108 |
| Internal charges and overheads applied | 1,292 | 893 | 1,342 | 1,368 | 554 |
| Other operating funding applications | 14,252 | 14,384 | 14,547 | 14,593 | 14,488 |
| Total applications of operating funding (B) | 34,651 | 20,128 | 36,292 | 35,755 | 19,674 |
| Surplus (deficit) of operating funding (A - B) | (983) | 26 | (2,320) | (181) | 1,280 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | 753 | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 4,340 | (323) | 4,168 | 3,270 | 5,296 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 4,340 | 430 | 4,168 | 3,270 | 5,296 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 3,357 | 738 | 511 | 3,089 | 1,111 |
| Increase (decrease) in reserves | - | (282) | 1,337 | - | 5,465 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 3,357 | 456 | 1,848 | 3,089 | 6,576 |
| Surplus (deficit) of capital funding (C - D) | 983 | (26) | 2,320 | 181 | (1,280) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 1,713 | 1,808 | 1,829 | 2,352 | 1,734 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Arts and Culture activities | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 4.1 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 15,761 | 15,761 | 15,632 | 15,876 | 15,876 |
| Targeted rates | 5,979 | 5,979 | 5,927 | 5,688 | 5,688 |
| Subsidies and grants for operating purposes | 424 | 99 | 424 | 424 | 105 |
| Fees and charges | 602 | 711 | 606 | 606 | 533 |
| Internal charges and overheads recovered | - | - | - | - | 1 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 22,766 | 22,550 | 22,589 | 22,594 | 22,203 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 6,359 | 5,954 | 5,975 | 7,160 | 4,473 |
| Finance costs | 260 | 270 | 263 | 251 | 246 |
| Internal charges and overheads applied | 1,385 | 1,516 | 1,392 | 1,414 | 1,451 |
| Other operating funding applications | 14,012 | 14,768 | 14,214 | 13,063 | 15,560 |
| Total applications of operating funding (B) | 22,016 | 22,508 | 21,844 | 21,888 | 21,730 |
| Surplus (deficit) of operating funding (A - B) | 750 | 42 | 745 | 706 | 473 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 156 | 4,573 | 15,242 | 16,236 | 22,894 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 156 | 4,573 | 15,242 | 16,236 | 22,894 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 759 | 4,130 | 15,987 | 16,942 | 23,540 |
| - to replace existing assets | 147 | 15 | - | - | (4) |
| Increase (decrease) in reserves | - | 470 | - | - | (169) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 906 | 4,615 | 15,987 | 16,942 | 23,367 |
| Surplus (deficit) of capital funding (C - D) | (750) | (42) | (745) | (706) | (473) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 750 | 760 | 745 | 706 | 749 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Recreation promotion and support | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| 5.1 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 29,449 | 29,449 | 29,576 | 29,856 | 29,856 |
| Targeted rates | 1,330 | 1,330 | 1,419 | 1,406 | 1,406 |
| Subsidies and grants for operating purposes | 184 | 203 | 191 | 171 | 133 |
| Fees and charges | 11,557 | 11,770 | 11,854 | 12,076 | 9,036 |
| Internal charges and overheads recovered | 1,076 | 1,158 | 1,133 | 1,096 | 1,452 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 43,596 | 43,910 | 44,173 | 44,605 | 41,883 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 20,365 | 20,319 | 20,747 | 20,981 | 20,214 |
| Finance costs | 2,748 | 2,651 | 2,875 | 2,772 | 2,475 |
| Internal charges and overheads applied | 11,308 | 11,949 | 11,352 | 11,394 | 12,146 |
| Other operating funding applications | 864 | 840 | 727 | 877 | 848 |
| Total applications of operating funding (B) | 35,285 | 35,759 | 35,701 | 36,024 | 35,683 |
| Surplus (deficit) of operating funding (A - B) | 8,311 | 8,151 | 8,472 | 8,581 | 6,200 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | 50 | - | 700 | 700 | 178 |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | (434) | (1,984) | 2,520 | 4,243 | 9,060 |
| Gross proceeds from sales of assets | - | 7 | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | (384) | (1,977) | 3,220 | 4,943 | 9,238 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 646 | 48 | 387 | 640 | 59 |
| - to replace existing assets | 7,281 | 7,140 | 11,305 | 12,882 | 14,840 |
| Increase (decrease) in reserves | - | (1,014) | - | 2 | 539 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 7,927 | 6,174 | 11,692 | 13,524 | 15,438 |
| Surplus (deficit) of capital funding (C - D) | (8,311) | (8,151) | (8,472) | (8,581) | (6,200) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 8,311 | 9,166 | 8,472 | 8,578 | 8,105 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Community support | | | | | |
|---|-----------------|----------------|-----------------|----------------|-----------------|
| 5.2 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 26,086 | 26,086 | 27,202 | 26,677 | 26,677 |
| Targeted rates | 5,008 | 5,008 | 5,341 | 4,953 | 4,953 |
| Subsidies and grants for operating purposes | - | 19 | - | - | (1) |
| Fees and charges | 23,761 | 24,334 | 24,385 | 23,572 | 27,009 |
| Internal charges and overheads recovered | 450 | 459 | 474 | 601 | 352 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 545 | 322 | 469 | 242 | 195 |
| Total operating funding (A) | 55,850 | 56,228 | 57,871 | 56,045 | 59,185 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 28,136 | 40,017 | 29,176 | 33,237 | 29,267 |
| Finance costs | (888) | (1,025) | (757) | (1,027) | (1,076) |
| Internal charges and overheads applied | 13,714 | 14,117 | 13,932 | 13,451 | 14,497 |
| Other operating funding applications | 4,582 | 4,340 | 4,636 | 18,787 | 5,513 |
| Total applications of operating funding (B) | 45,544 | 57,449 | 46,987 | 64,448 | 48,201 |
| Surplus (deficit) of operating funding (A - B) | 10,306 | (1,221) | 10,884 | (8,403) | 10,984 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | 500 | - |
| Development and financial contributions | - | 26 | - | - | 19 |
| Increase (decrease) in debt | 19,093 | 23,211 | 5,736 | 26,104 | (11,828) |
| Gross proceeds from sales of assets | - | - | - | 1,000 | 14,000 |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 19,093 | 23,237 | 5,736 | 27,604 | 2,191 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 13,978 | 13,260 | 3,877 | 3,923 | 4,480 |
| - to replace existing assets | 15,421 | 7,879 | 12,743 | 15,278 | 9,496 |
| Increase (decrease) in reserves | - | 877 | - | - | (801) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 29,399 | 22,016 | 16,620 | 19,201 | 13,175 |
| Surplus (deficit) of capital funding (C - D) | (10,306) | 1,221 | (10,884) | 8,403 | (10,984) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 16,624 | 17,144 | 18,009 | 19,646 | 17,982 |

O

| Funding impact statement for 1 July 2019 to 30 June 2020 for Public health and safety | | | | | |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| 5.3 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 12,246 | 12,246 | 12,687 | 12,684 | 12,684 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | 14 | - | - | 11 |
| Fees and charges | 4,440 | 4,106 | 4,533 | 4,574 | 4,434 |
| Internal charges and overheads recovered | 705 | 583 | 742 | 722 | 630 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 79 | 23 | 79 | 79 | 23 |
| Total operating funding (A) | 17,470 | 16,972 | 18,041 | 18,059 | 17,782 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 9,418 | 9,572 | 9,748 | 9,782 | 9,794 |
| Finance costs | 135 | 134 | 170 | 143 | 144 |
| Internal charges and overheads applied | 6,669 | 6,401 | 6,790 | 6,739 | 6,500 |
| Other operating funding applications | 54 | 80 | 54 | 54 | 470 |
| Total applications of operating funding (B) | 16,276 | 16,187 | 16,762 | 16,718 | 16,908 |
| Surplus (deficit) of operating funding (A - B) | 1,194 | 785 | 1,279 | 1,341 | 874 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 1,172 | 486 | 977 | 2,151 | 1,923 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 1,172 | 486 | 977 | 2,151 | 1,923 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 603 | 271 | 260 | 1,256 | 2,020 |
| - to replace existing assets | 1,763 | 1,427 | 1,996 | 2,236 | 756 |
| Increase (decrease) in reserves | - | (427) | - | - | 21 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 2,366 | 1,271 | 2,256 | 3,492 | 2,797 |
| Surplus (deficit) of capital funding (C - D) | (1,194) | (785) | (1,279) | (1,341) | (874) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 1,194 | 1,212 | 1,279 | 1,340 | 1,217 |

Funding impact statement for 1 July 2019 to 30 June 2020 for Urban planning, heritage and public spaces development

| 6.1 | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
|---|-------------------------|----------------------------|-------------------------|------------------------|----------------------------|
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 11,044 | 11,044 | 9,363 | 11,072 | 11,072 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | (10) | - | - | - |
| Fees and charges | 21 | 173 | 22 | 22 | 280 |
| Internal charges and overheads recovered | 309 | (1) | 264 | 220 | 396 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - |
| Total operating funding (A) | 11,374 | 11,206 | 9,649 | 11,314 | 11,748 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 7,961 | 6,813 | 6,203 | 6,881 | 7,284 |
| Finance costs | 15 | 15 | 19 | 16 | 16 |
| Internal charges and overheads applied | 2,907 | 2,925 | 2,896 | 3,328 | 3,101 |
| Other operating funding applications | 450 | 285 | 450 | 1,000 | 894 |
| Total applications of operating funding (B) | 11,333 | 10,038 | 9,568 | 11,225 | 11,295 |
| Surplus (deficit) of operating funding (A - B) | 41 | 1,168 | 81 | 89 | 453 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 12,222 | 6,000 | 4,208 | 10,508 | 3,171 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 12,222 | 6,000 | 4,208 | 10,508 | 3,171 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | 1,585 | 1,219 | - | 815 | 13 |
| - to improve the level of service | 8,841 | 3,394 | 2,549 | 7,472 | 506 |
| - to replace existing assets | 1,837 | 1,433 | 1,740 | 2,310 | 2,731 |
| Increase (decrease) in reserves | - | 1,122 | - | - | 374 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 12,263 | 7,168 | 4,289 | 10,597 | 3,624 |
| Surplus (deficit) of capital funding (C - D) | (41) | (1,168) | (81) | (89) | (453) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 41 | 46 | 81 | 89 | 78 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Building and development control | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|
| 6.2 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 7,466 | 7,466 | 8,363 | 8,790 | 8,790 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | 4 |
| Fees and charges | 13,210 | 13,711 | 12,598 | 14,161 | 11,967 |
| Internal charges and overheads recovered | 191 | - | 201 | 201 | 160 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 24 | 10 | 24 | 24 | 7 |
| Total operating funding (A) | 20,891 | 21,187 | 21,186 | 23,176 | 20,928 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 12,549 | 12,484 | 12,925 | 14,495 | 16,133 |
| Finance costs | 2 | - | 3 | 1 | - |
| Internal charges and overheads applied | 8,165 | 7,797 | 8,177 | 8,599 | 9,550 |
| Other operating funding applications | 35 | 209 | 35 | 35 | (4) |
| Total applications of operating funding (B) | 20,751 | 20,490 | 21,140 | 23,130 | 25,679 |
| Surplus (deficit) of operating funding (A - B) | 140 | 697 | 46 | 46 | (4,751) |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 31,867 | 8,431 | 44,625 | 32,979 | 22,587 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 31,867 | 8,431 | 44,625 | 32,979 | 22,587 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | 4,942 |
| - to improve the level of service | 19,090 | 6,698 | 44,054 | 19,146 | 8,336 |
| - to replace existing assets | 12,917 | 1,866 | 617 | 13,879 | 9,070 |
| Increase (decrease) in reserves | - | 564 | - | - | (4,512) |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 32,007 | 9,128 | 44,671 | 33,025 | 17,836 |
| Surplus (deficit) of capital funding (C - D) | (140) | (697) | (46) | (46) | 4,751 |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 140 | 132 | 46 | 45 | 32 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Transport | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| 7.1 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | 39,479 | 39,479 | 46,852 | 43,851 | 43,851 |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | 4,946 | 6,828 | 4,945 | 5,670 | 6,452 |
| Fees and charges | 2,215 | 3,576 | 2,253 | 2,657 | 3,063 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | 2 |
| Total operating funding (A) | 46,640 | 49,883 | 54,050 | 52,178 | 53,368 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 16,013 | 17,350 | 16,372 | 18,060 | 17,821 |
| Finance costs | 6,491 | 5,930 | 8,238 | 6,634 | 6,375 |
| Internal charges and overheads applied | 7,515 | 7,682 | 7,706 | 8,527 | 7,590 |
| Other operating funding applications | - | (9) | 2,500 | 2,500 | 5 |
| Total applications of operating funding (B) | 30,019 | 30,953 | 34,816 | 35,721 | 31,791 |
| Surplus (deficit) of operating funding (A - B) | 16,621 | 18,930 | 19,234 | 16,457 | 21,577 |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | 26,110 | 30,370 | 16,931 | 24,506 | 25,815 |
| Development and financial contributions | 539 | 1,019 | 539 | 539 | 1,362 |
| Increase (decrease) in debt | 30,031 | 7,849 | 16,843 | 16,383 | 6,919 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 56,680 | 39,238 | 34,313 | 41,428 | 34,096 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | 258 | 130 | 261 | 263 | 52 |
| - to improve the level of service | 38,317 | 19,206 | 22,834 | 24,635 | 19,659 |
| - to replace existing assets | 34,726 | 34,156 | 30,452 | 32,986 | 29,187 |
| Increase (decrease) in reserves | - | 4,676 | - | 1 | 6,775 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 73,301 | 58,168 | 53,547 | 57,885 | 55,673 |
| Surplus (deficit) of capital funding (C - D) | (16,621) | (18,930) | (19,234) | (16,457) | (21,577) |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following | | | | | |
| depreciation/amortisation charge | 32,840 | 29,012 | 34,629 | 34,688 | 30,555 |

| Funding impact statement for 1 July 2019 to 30 June 2020 for Parking | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|
| 7.2 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2019/20 |
| | LTP | Actual | LTP | AP | Actual |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | |
| General rates, uniform annual general charges, rates penalties | (15,474) | (15,474) | (17,545) | (16,089) | (16,089) |
| Targeted rates | - | - | - | - | - |
| Subsidies and grants for operating purposes | - | - | - | - | - |
| Fees and charges | 23,821 | 23,080 | 26,135 | 25,206 | 21,473 |
| Internal charges and overheads recovered | - | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 7,102 | 6,795 | 7,102 | 7,102 | 6,539 |
| Total operating funding (A) | 15,449 | 14,401 | 15,692 | 16,219 | 11,923 |
| Applications of operating funding | | | | | |
| Payments to staff and suppliers | 11,044 | 11,271 | 11,224 | 12,082 | 11,509 |
| Finance costs | 18 | 13 | 23 | 18 | 10 |
| Internal charges and overheads applied | 3,581 | 3,716 | 3,584 | 3,712 | 3,996 |
| Other operating funding applications | 1 | (364) | 1 | 1 | (53) |
| Total applications of operating funding (B) | 14,644 | 14,636 | 14,832 | 15,813 | 15,462 |
| Surplus (deficit) of operating funding (A - B) | 805 | (235) | 860 | 406 | (3,539) |
| Sources of capital funding | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - |
| Increase (decrease) in debt | 219 | 27 | (673) | (182) | 5,195 |
| Gross proceeds from sales of assets | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - |
| Total sources of capital funding (C) | 219 | 27 | (673) | (182) | 5,195 |
| Applications of capital funding | | | | | |
| Capital expenditure | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 171 | 48 | 130 | 133 | 92 |
| - to replace existing assets | 853 | 773 | 57 | 91 | 100 |
| Increase (decrease) in reserves | - | (1,029) | - | - | 1,464 |
| Increase (decrease) in investments | - | - | - | - | - |
| Total applications of capital funding (D) | 1,024 | (208) | 187 | 224 | 1,656 |
| Surplus (deficit) of capital funding (C - D) | (805) | 235 | (860) | (406) | 3,539 |
| Funding balance ((A - B) + (C - D)) | - | - | - | - | - |
| Expenses for this activity grouping include the following depreciation/amortisation charge | 805 | 794 | 860 | 906 | 819 |

| Capital Expenditure by Strategy | | | | | |
|--|----------------------------------|-------------------------------------|----------------------------------|---------------------------------|-------------------------------------|
| Strategy | 2018/19 LTP \$000 | 2018/19 Actual \$000 | 2019/20 LTP \$000 | 2019/20 AP \$000 | 2019/20 Actual \$000 |
| Governance: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - |
| - to replace existing assets | 51 | - | 123 | 123 | 48 |
| Governance Total | 51 | - | 123 | 123 | 48 |
| Environment: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 24,363 | 15,095 | 23,138 | 20,643 | 17,075 |
| - to replace existing assets | 27,668 | 25,376 | 36,338 | 37,385 | 41,512 |
| Environment Total | 52,031 | 40,471 | 59,477 | 58,028 | 58,587 |
| Economic Development: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | - | - | 510 | - | - |
| - to replace existing assets | 3,357 | 738 | 1,337 | 3,089 | 1,111 |
| Economic Development Total | 3,357 | 738 | 1,847 | 3,089 | 1,111 |
| Cultural Well-being | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 759 | 4,130 | 15,987 | 16,941 | 23,540 |
| - to replace existing assets | 147 | 15 | 0 | - | (4) |
| Cultural Wellbeing Total | 906 | 4,145 | 15,987 | 16,941 | 23,536 |
| Social and Recreation: | | | | | |
| - to meet additional demand | - | - | - | - | - |
| - to improve the level of service | 15,227 | 13,580 | 4,524 | 5,820 | 6,559 |
| - to replace existing assets | 24,465 | 16,446 | 26,045 | 30,394 | 25,092 |
| Social and Recreation Total | 39,692 | 30,025 | 30,569 | 36,214 | 31,651 |
| Urban Development: | | | | | |
| - to meet additional demand | 1,585 | 1,219 | - | 815 | 4,956 |
| - to improve the level of service | 27,931 | 10,092 | 46,602 | 26,617 | 8,842 |
| - to replace existing assets | 14,754 | 3,299 | 2,358 | 16,189 | 11,801 |
| Urban Development Total | 44,270 | 14,610 | 48,960 | 43,621 | 25,599 |
| Transport: | | | | | |
| - to meet additional demand | 258 | 130 | 261 | 263 | 52 |
| - to improve the level of service | 38,488 | 19,254 | 22,964 | 24,767 | 19,751 |
| - to replace existing assets | 35,579 | 34,929 | 30,510 | 33,077 | 29,287 |
| Transport Total | 74,325 | 54,313 | 53,735 | 58,107 | 49,090 |
| Council organisation | | | | | |
| - to meet additional demand | - | 425 | - | - | - |
| - to improve the level of service | 2,720 | 10,535 | 3,760 | 7,310 | 7,710 |
| - to replace existing assets | 25,968 | 16,441 | 15,448 | 17,019 | 15,776 |
| Council organisation Total | 28,688 | 27,401 | 19,208 | 24,329 | 23,486 |
| Total Council: | | | | | |
| - to meet additional demand | 1,843 | 1,775 | 261 | 1,078 | 5,008 |
| - to improve the level of service | 109,488 | 72,685 | 117,486 | 102,099 | 83,477 |
| - to replace existing assets | 131,989 | 97,242 | 112,158 | 137,275 | 124,623 |
| TOTAL COUNCIL | 243,320 | 171,702 | 229,905 | 240,452 | 213,108 |

Appendices

Audit Report

To come

Events in 2019/20

This year Wellington had another full events calendar, including international, regional and local sporting tournaments, concerts, popular annual festivals and community events. Due to COVID-19 restrictions, many events from March to June were cancelled or postponed.

July 2019

Beyond the Page – Children’s Literacy Festival

Super Rugby Quarter Final

NZ International Film Festival

K-Culture Festival

New Zealand National Junior Futsal Championships

All Blacks vs South Africa

Festival for the Future

NZ Warriors v Cronulla-Sutherland Sharks

Semi Conductor – Eva Rothchild exhibition

August

Wellington Zoo Winter Wednesdays

RECUT Kumutoto

Beervana

Visa Wellington on a Plate

Wellington Lions and Pride seasons start

International Junior Pacific Diving Championships

September

Te Wiki o te reo Māori Parade

Art Splash

Spring Festival

Tulip Sunday

Kids’ Day Out

NZ Chinese Language Week

WOW

New Zealand Handball Club Championships

New Zealand Underwater Hockey Secondary School Championships

Home & Garden Show

Emergency Services Expo

October

Seniors’ Week

Wellington Heritage Week

Spring into Tawa

NZ Improv Festival

Synthony

Wellington Phoenix A-League season starts

Wellington Firebirds and Blaze cricket seasons start

Mitre10 Cup semi-final: Wellington vs Canterbury

Pink Star Walk

Maker Faire Wellington

New Zealand Boccia National Championships

New Zealand National Men’s Futsal Super League Event

New Zealand Underwater Hockey Club Nationals

November

Verb Festival

LitCrawl

Mary Potter Hospice Strawberry Festival

Diwali

Polish Christmas Market

Beers at the Basin

A Very Welly Christmas

Stadium Climb Wellington

December

A Long Walk Home

18th Johnsonville Lions Christmas Parade

Thorndon Fair

New Zealand Secondary Schools Track, Field and Road Race championships

New Zealand Water Polo 14 & Under Water Polo Championships

Christmas in Strathmore Park

Khandallah Village Street Fair

The 12 Storytimes of Christmas

Black Caps v England Tour

Tuia250

Moscow Circus

New Year’s Eve Celebrations

January 2020

Gardens Magic

Kids Magic

Pasifika Festival

Gindulgence

| | | |
|--|---|---|
| Capital Classic Ocean Swim | March | May |
| Summer in the Sanctuary | NZ Fringe Festival | NZ Art Show (cancelled) |
| Black Caps vs India ODI | Wellington International Pride Parade | Relay for Life (held as virtual event) |
| February | Dragon Boat Festival | NZ International Comedy Festival (cancelled) |
| Black Caps and White Ferns vs India T20 double header | Newtown Festival | NZ Music Month (held as virtual event) |
| White Ferns v South Africa | Bowlzilla – Skateboard Park/Bowl titles | Better Home & Living Show (postponed to October) |
| Black Caps vs India Test | Swimming New Zealand Juniors Festival All Stars | Africa Day (postponed to 7 November) |
| Te Rā o Waitangi | New Zealand Secondary School (NZSS) Futsal Champs (cancelled) | Food Show (postponed to 30 October – 1 November) |
| Kotahi | Central Pulse ANZ Premiership season starts (postponed, restarted in June) | New Zealand Interprovincial Volleyball Champs (cancelled) |
| Chinese New Year Festival | Jim Beam Homegrown (cancelled) | June |
| Queens & Adam Lambert – The Rhapsody Tour | CubaDupa (held as virtual event) | Super Rugby Aotearoa |
| New Zealand Festival of the Arts | April | Classical on Cuba |
| New Zealand National Women’s Futsal Super League Event | Armageddon (postponed to 1 August) | Doc Edge Festival (held as virtual event) |
| Pipes in the Park | Kids’ Night Walks at ZEALANDIA (postponed) | Wellington Jazz Festival (postponed to 18 – 22 November) |
| Island Bay Festival | Anzac Day commemorations (events cancelled, Stand At Dawn promotion during COVID-19 L4) | Lōemis (cancelled) |
| Wellington Wine, Food & Craft Beer Festival | Wellington Saints NBL season (cancelled) | Winter Pop-Up Market (cancelled) |
| Wellington Lantern Festival | National Age Group Swimming Championships (cancelled) | NZ Warriors v Queensland Cowboys (cancelled) |
| Out in the Park | Night Noodle Markets (cancelled) | |
| Pipes in the Park | New Zealand Tertiary Futsal Champs (cancelled) | |
| Holi Festival | | |
| NZ Festival | | |
| Summer Shakespeare | | |
| Round the Bays | | |
| Performance Arcade | | |
| Guilty Feminist | | |
| Hurricanes Super Rugby season starts (postponed in March, restarted in June) | | |

Glossary

Annual Plan (AP). Our Annual Plan is our budget, showing the expected cost of running the city for the financial year, 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).

Baseline target. A baseline target is established when a performance measure is new, the results are inconclusive, or the methodology has changed. The first year/s data is used to collect and assess results to establish a “baseline” from which a target can then be set for future years.

Capital expenditure. Capital expenditure, also referred to as CAPEX, is the money that we spend to buy, maintain, or improve our fixed assets, such as buildings, vehicles, equipment, or land.

Cash and cash equivalents. This includes cash as well as deposits which mature in three months or less.

Council-Controlled Organisations (CCOs). These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake developments on behalf of the Wellington community. Each year performance measures are agreed under a Statement of Intent. Results against these measures are reported in each CCO’s Annual Report.

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

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

Depreciation (amortisation). This is an expense charged each year to reflect the estimated cost of using our assets over their lives. Depreciation relates to physical assets such as buildings and amortisation relates to intangible assets such as software.

External funding for capital expenditure. This is funding recorded as revenue but used to fund capital expenditure projects.

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

Investment properties. These are properties primarily held by the Council to earn rental revenue.

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 (LTP). This 10-year plan, revised every three years, shows the expected cost of running the city for the following 10 years, and how the costs will be funded. Also known as Our 10-Year Plan.

Net borrowings. These are total borrowings, less any funds held on deposit.

Net surplus/deficit. This is the difference between total revenue 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 revenue and fair value movements.

Operational expenditure. This is expenditure that is not capital expenditure (see capital expenditure).

Percentage (%) variance. The difference between the actual performance measure result and the target result is reported as the result's percentage above or below target. For example, the difference between an actual performance result of 20 percent and the target result of 40 percent is -50 percent. This is because the result is 50 percent less than the target. While the numerical difference between the two figures is 20 percentage points, we do not report percentage point results unless otherwise stated.

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.

Reported result icon. The icons provide a visual indication of the performance measure and outcome indicator results. For Key Performance Measures they show whether the reported result is in one of four categories:

- [X] Not met: greater than 10 percent below target; or
- [tick] Within 10 percent: between zero percent and 10 percent above or below target; or
- [!] Exceeded: greater than 10 percent above target; or
- [-] NA – not applicable/appropriate to determine a performance outcome.

We use a range of +/- 10 percent from target as it allows for fluctuations in performance across the year (e.g. seasonal changes). This is consistent with the reporting of other performance information during the year e.g. in Quarterly Reports.

Outcome Indicators are shown as trends over time with an icon that provides an indication of the trend direction. Where outcomes display a positive trend these will be shown with an up arrow, a negative trend with a downward arrow and no trend as a dash.

Residents Monitoring Survey (RMS). This survey is undertaken annually by Council. The survey is conducted in two parts. This year, the survey was sent out during the COVID-19 restriction to just over 3,000 residents and remained open until minimum quotas for age, gender and ward were met. The final sample size for 2020 was 696 for Part 1 and 627 for Part 2, post-weighting. The standard margin of error at 95 percent confidence level was 4 percent.

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

Total comprehensive revenue and expense. This is the net surplus/deficit adjusted for fair value movements of some of our assets including property, plant and equipment, and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect the changing fair value of assets owned by the Council.

Underlying funding surplus/deficit. The underlying surplus is the reported net surplus, less any government funding for capital projects, plus items not required to be funded by ratepayers this year and other adjustments that do not affect the rating requirements of Council.

Unfunded depreciation. This is the amount of depreciation not funded by rates. This relates mainly to roading assets funded by NZTA and wastewater treatment assets where the operator has responsibility for asset renewal.

Vested assets. These are assets created by others and passed into Council ownership (for example roads built by a developer as part of a subdivision).

Kuputohu Index

[Inside back cover]

Directory

The call centre and website are your first points of contact for all Council services, including building and resource consents, complaints and queries, liquor licensing, animal control, food safety, parks and recreation facilities, Council meetings and consultation, cemeteries, landfills, transport issues, rubbish and recycling collection, parking, rates, events, archives and community services.

Council offices

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The Annual Report 2019/20 was adopted by the Council on 16 December 2020 in compliance with the Local Government Act 2002.

Amendments

WCC 2019/20 DIA Results

| Water Service Type* | Performance Measure | Sub Performance Measure | 2019/20 Target | 2019/20 EOY result | Commentary |
|---------------------|---|---|----------------|--------------------|---|
| BW | (1) Performance measure 1 (safety of drinking water) The extent to which the local authority's drinking water supply | (a) part 4 of the drinking-water standards (bacteria compliance criteria). | 100% | 100% | |
| BW | | (b) part 5 of the drinking-water standards (protozoal compliance criteria). | 100% | 100% | |
| WS | (2) Performance measure 2 (maintenance of the reticulation network) The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). | | <17 % | 19% | This end of year result is reported as a mean regional water loss percentage with a 95% confidence interval of between 7% and 32%. It is produced using an updated statistical methodology that aligns with the "Benchmark approach" described in the Water New Zealand Water Loss Guidelines and meets the requirements of the Non-Financial Performance Measure Rules 2013 specified by the DIA. Due to the limited water meter information there is a wide variance in the confidence intervals for council specific results. Therefore we are reporting this result as a more accurate regional percentage until more data is available to support this measure at a Council level. |
| WS | (3) Performance measure 3 (fault response times) Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked (water) reticulation system, the following median response times measured | (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. | <60 mins | 117.58 mins | End of year result exceeds target due to work volume, resource constraints, and resource allocation. |
| WS | | (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. | <4 hrs | 16.08 hrs | End of year result exceeds target due to a backlog of work carried over from the previous service delivery arrangement, an increase in callouts (water leaks), resource constraints, complexity of repair processes due to increasing health and safety requirements, traffic management and service mark-outs. |
| WS | | (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site | <36 hrs | 139.79 hrs | End of year result exceeds target due to work volume, resource constraints, and resource allocation. |
| WS | | (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption | <5 days | 14.42 days | End of year result exceeds target due to a backlog of work carried over from the previous service delivery arrangement, an increase in callouts (water leaks), resource constraints, complexity of repair processes due to increasing health and safety requirements, traffic management and service mark-outs. |
| WS | (4) Performance measure 4 (customer satisfaction) The total number of complaints received by the local authority about any of the following: expressed per 1000 connections to the local authority's networked (water) reticulation system. | (a) drinking water clarity | | | |
| WS | | (b) drinking water taste | | | |
| WS | | (c) drinking water odour | | | |
| WS | | (d) drinking water pressure or flow | | | |
| WS | | (e) continuity of supply | | | |
| WS | | (f) the local authority's response to any of these issues | | | |
| WS | | The total number of complaints received by the local authority about any of (a) - (f) above | | <20 | 12.79 |
| BW | (5) Performance measure 5 (demand management) The average consumption of drinking water per day per resident within the territorial authority district | | <365 L/p/d | 364.8 | |
| WW | (1) Performance measure 1 (system and adequacy) The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. | | 0 | 4.95 | Due to a number of blockages within the network and at pump stations caused by rags, fat, and root infiltration |
| WW | (2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: | (a) abatement notices received by the territorial authority in relation to those resource consents | 0 | 0 | |
| WW | | (b) infringement notices received by the territorial authority in relation to those resource consents | 0 | 0 | |
| WW | | (c) enforcement orders received by the territorial authority in relation to those resource consents | 0 | 0 | |
| WW | | (d) convictions received by the territorial authority in relation to those resource consents | 0 | 0 | |
| WW | (3) Performance measure 3 (fault response times) Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: | (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site | <=60 mins | 94.03 mins | End of year result exceeds target due to work volume, resource constraints, and resource allocation. |
| WW | | (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. | <=6 hrs | 8.88 hrs | End of year result exceeds target due to work volume, resource constraints, complexity of repair processes due to increasing health and safety requirements, traffic management and service mark-outs. |
| WW | (4) Performance measure 4 (customer satisfaction) The total number of complaints received by the territorial authority about any of the following: expressed per 1000 connections to the territorial authority's sewerage system | (a) sewage odour | | | |
| WW | | (b) sewerage system faults | | | |
| WW | | (c) sewerage system blockages | | | |
| WW | | (d) the territorial authority's response to issues with its sewerage system | | | |
| WW | | The total number of complaints received by the territorial authority about any of (a) - (d) above | | <30 | 17.19 |
| SW | (1) Performance measure 1 (system adequacy) | (a) The number of flooding events that occur in a territorial authority district | <=5 | 0 | |
| SW | | (b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) | <0.14 | 0 | |
| SW | (2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: | (a) abatement notices received by the territorial authority in relation to those resource consents | 0 | 0 | |
| SW | | (b) infringement notices received by the territorial authority in relation to those resource consents | 0 | 0 | |
| SW | | (c) enforcement orders received by the territorial authority in relation to those resource consents | 0 | 0 | |
| SW | | (d) convictions received by the territorial authority in relation to those resource consents | 0 | 0 | |
| SW | (3) Performance measure 3 (response times) The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. | | <=60 mins | 0 mins | |
| SW | (4) Performance measure 4 (customer satisfaction) The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. | | <20 | 11.42 | |

Wellington Water Limited key non-financial performance results

~~The following notes relates to DIA Tables pages 56-66 where double asterisk (**) is noted~~

(1) Performance Measure 1 (system and adequacy) Dry weather overflows

- Issue:
 - The original methodology Wellington Water applied to generate results did not follow DIA guidelines. We have now implemented a methodology taking on-board the DIA guidelines. We are confident the numbers reported using the new methodology fairly represent the number of overflow events. The criteria applied to determine the number of events included a multi-word search which did not rely on identifying the word "blockages" in isolation. Removing events that included the word blockages from the current results would result in under-reporting of these events. The target is zero for this measure and regardless of the finer details of the methodology, the number of events would result in hundreds of events.
- Proposed remedial action:
 - Wellington Water will review and improve the methodology to improve the accuracy and reliability of results, this will include:
 - > Staff training to ensure wide understanding of the definition of a dry-weather overflow as "wastewater spilling to the surface"
 - > Updating field crew job requirements to include a mandatory step of confirming the overflow event by taking a photograph of the job site

(2) Performance measure 2 (maintenance of the reticulation network) Water Loss

- Issue:
 - Wellington Waters ability to report is impacted by low meter coverage. In the absence of meters across the Wellington region Wellington Water will continue to apply the current Benchloss methodology to calculate water loss. With the exception of Greater Wellington Regional Council and South Wairarapa District Council the regional result (19%) rather than council specific results are reporting for each council with a confidence interval of between 7% and 32%.
- Proposed remedial action:
 - This end of year result is reported as a mean regional water loss percentage with a 95% confidence interval of between 7% and 32%. It is produced using an updated statistical methodology that aligns with the "Benchloss approach" described in the Water New Zealand Water Loss Guidelines and meets the requirements of the Non-Financial Performance Measure Rules 2013 specified by the DIA. Reporting this result is more accurate as a regional percentage until more data is available to support this measure at a Council level.

(3) Performance measure 3 (Fault response times)

a) Attendance times

- Issue:
 - Wellington Water records for attendance were insufficient to enable results, particularly in Quarter 1, to be verified. By applying E-Road geo-spatial data we can confirm 75% of attendance by matching the presence of one of our vehicles to address in the service request records.
- Proposed remedial action:
 - Better recording and reporting of performance will be achieved through a number of activities as part of a wider programme of improvements and development of a more robust performance framework. Specific activities will include: Staff training for field crews and their supervisor; Continuing to match vehicle attendance using the E-Road data.

b) Resolution times

- Issue:
 - Wellington Water could not independently verify fault resolution response times. Our proposed method of corroborating the data by matching timesheets to job sheets did not support sufficient data being available or able to be matched.
- Proposed remedial action:
 - Internal system and/or manual controls will be built into the service request workflow to enable results to be certified. In practise this means implementing checking procedures to certify all urgent service requests on a daily basis and non-urgent service requests will be checked on a sample basis as part of a wider internal audit programme.
 - Next steps:
 - > Design and implement procedures for manual checking of results for all urgent service requests on a daily basis
 - > Design and implement an internal audit programme including routine quality assurance checks for all non-urgent service requests
 - > Conduct staff training for supervisors

(4) Performance measure 4 (Customer complaints)

- Issue:
 - Customer complaints reported through councils and the Palmerston North City Council (PNCC) after hours contact centre were under reported.
- Proposed remedial action:
 - We will work with the councils and PNCC to review and improve the complaint reporting procedures.