
ORDINARY MEETING
OF
WELLINGTON CITY COUNCIL
AGENDA

Time: 9:30am
Date: Thursday, 28 October 2021
Venue: Virtual meeting

MEMBERSHIP

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

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

TABLE OF CONTENTS
28 OCTOBER 2021

Business	Page No.
1. Meeting Conduct	5
1.1 Karakia	5
1.2 Apologies	5
1.3 Announcements by the Mayor	5
1.4 Conflict of Interest Declarations	5
1.5 Confirmation of Minutes	5
1.6 Items not on the Agenda	5
1.7 Public Participation	6

2.	General Business	7
2.1	Tākina Operating Arrangements	7
2.2	Vacancy in Council	25
2.3	Representation Review Final Proposal	31
2.4	Actions Tracking	47
2.5	Forward Programme	57
3.	Committee Reports	59
3.1	Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 13 October 2021	59
3.2	Report of the Pūroro Waihanga Infrastructure Committee Meeting of 14 October 2021	61
3.3	Report of the Pūroro Tahua Finance and Performance Committee Meeting of 21 October 2021	63
4.	Public Excluded	383
4.1	Tākina Management Agreement Commercial Terms	383
4.2	Local Government Funding Agency Annual General Meeting Voting	383
4.3	Public Excluded Report of the Pūroro Waihanga Infrastructure Committee Meeting of 14 October 2021	383

1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

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

At the appropriate time, the following karakia will be read to close the meeting.

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

1.2 Apologies

The Chairperson invites notice from members of:

1. Leave of absence for future meetings of the Wellington City Council; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.3 Announcements by the Mayor

1.4 Conflict of Interest Declarations

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

1.5 Confirmation of Minutes

The minutes of the meeting held on 12 October 2021 will be put to the Te Kaunihera o Pōneke | Council for confirmation.

1.6 Items not on the Agenda

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

Matters Requiring Urgent Attention as Determined by Resolution of the Wellington City Council

The Chairperson shall state to the meeting.

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

The item may be allowed onto the agenda by resolution of the Wellington City Council.

Minor Matters relating to the General Business of the Wellington City Council

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Wellington City Council for further discussion.

1.7 Public Participation

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

2. General Business

TĀKINA OPERATING ARRANGEMENTS

Kōrero taunaki

Summary of considerations

Purpose

1. This report to Ordinary Council Meeting is to confirm the operator and the operating arrangements for Tākina subject to approving the commercial terms which are set out in a separate public excluded report. This report seeks delegation for the Chief Executive to execute the necessary agreements to give effect to the arrangements.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

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

Relevant Previous decisions

Outline relevant previous decisions that pertain to the decision being considered in this paper.

Significance

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

- Is a strong logical step from a prior decision;
- Little public interest;
- Low impact on Council being able to perform its role; and
- Affects a low number of individuals to a low degree.

Financial considerations

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

2. The operations of Tākina are provided for within the 2021-31 Long Term Plan. The financial outcomes arising from the recommended operating model and the commercial

terms of the Management Agreement do not result in any material adverse differences compared to the Long Term Plan. From a presentational perspective the recommended operating model results in Council receiving fee revenues rather than the gross revenues from operations and reflecting the full direct operating costs. The net positions are the important aspect and these are broadly similar.

Risk

| Low | Medium | High | Extreme

Author	Danny McComb, Manager Economic & Commercial
Authoriser	Siobhan Procter, Chief Infrastructure Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information
- 2) Agree to confirm the operating arrangements for Tākina as set out in this report subject to agreement to the commercial terms outlined in the public excluded paper "Tākina Management Agreement Commercial Terms"
- 3) Agree to delegate authority to the Chief Executive to execute the agreements necessary to give effect to Recommendation 2. above.
- 4) Note Officers will report back to Council with recommendations on establishing an appropriate approval process to assess and approve exhibitions to be held at Tākina.

Whakarāpopoto

Executive Summary

4. The purpose of this report is to report back to Council to confirm the operating arrangements for Tākina and to seek approval to enter into the agreements necessary to give effect to the arrangements as set out in this report and a supporting report on the Commercial Terms which is public excluded.
5. The business case for Tākina was approved by Council on 10 December 2018.
6. The build aspect of the project has advanced largely in accordance with the programme outlined in the business case and we expect Tākina to host its first formal events from 1 July 2023.
7. With around 20 months before opening, we need to formalise the operating arrangements for Tākina to enable us to progress implementation planning, accelerate the sales and marketing efforts and lock in the first exhibitions for Tākina. The period between now and the scheduled opening will be crucial to the success of Tākina, and the delivery of the City outcomes.
8. At the Council meeting of 10 December 2018 Officers were asked to bring back the recommendations to confirm the operator for Tākina.

9. As part of the approved business case Officers were asked to fully explore how a co-operative operating model would work involving Council, WellingtonNZ and Te Papa.
10. KPMG were appointed to assist in developing an optimal operating model and identify options for its delivery.
11. The preferred operating model is for the Te Papa venues and the Tākina venue to be operated together under a new trading name "Tākina Events."
12. Te Papa will be contracted to provide event services under a Management Agreement, and WellingtonNZ will deliver marketing services under a Service Level Agreement. Council will provide the building owner services.
13. Comprehensive agreements have been drafted subject to the approval of each of the respective parties.
14. Bell Gully has provided legal advice to Council through this process and drafted the legal agreements for Council.
15. Officers together with Te Papa are in discussions to secure the first exhibitions for Tākina. A report will be brought to Council covering the nature of the exhibitions and an appropriate process to assess and approve exhibitions.

Takenga mai

Background

16. At the Council meeting of 10 December 2018, Council approved the development of a purpose built Convention and Exhibition Centre directly opposite Te Papa in accordance with the approved Business Case.
17. Under the proposal the development would include a Convention Centre able to host full format conferences of up to 1,500 delegates or concurrent conferences of up to 800 delegates on each floor. The need for modern and purpose built conference facilities included:
 - a. To enable Wellington to compete and maintain its market share of the business events market in response to significant investment in new facilities in Auckland and Christchurch;
 - b. To enable Wellington to grow its business events profile by being able to host events currently by-passing Wellington due to inadequate facilities; and
 - c. To provide a facility to enable Wellington to showcase its distinctive character and creative talents.
18. The ground floor incorporates an Exhibition Gallery of 1,651 sqm to host a year round programme of public exhibitions. The choice to incorporate the Exhibition Gallery was to target specific outcomes including:
 - a. To drive economic outcomes for the City;
 - b. Create a significant visitor attraction targeting visitation of 270,000 p.a;
 - c. Create activity in the City through the winter school holiday periods;
 - d. Add a commissionable visitor product in Wellington;
 - e. Ensure the building and surrounding area remains activated during periods where conference activities are not taking place; and
 - f. Provide the opportunity for local talent to develop home-grown exhibition product and showcase the creative talents of Wellington.

19. The building aspect of the project is now well advanced and we expect Tākina to be completed in early 2023 and have targeted an opening date of 1 July 2023. The building functionality, design and capability meet the requirements anticipated in the business case.
20. Tākina is expected to be a catalyst for regeneration of this precinct and capturing these benefits for the city remains an imperative.
21. Te Papa is the largest operator in the business events market in Wellington and business events are also delivered by WellingtonNZ through the civic venues, Venues Wellington. Both Te Papa and Venues Wellington will lose business and be negatively impacted by increased competition from the new facilities in Auckland and Christchurch and also the introduction of Tākina into the Wellington market.
22. The Business Case for Tākina:
 - a. Signalled that Council would work with WellingtonNZ and Te Papa to fully scope out how a co-operative operating model would work;
 - b. Noted the willingness to develop a partnership approach to develop a stonger city-wide approach and not a venue centric approach;
 - c. Noted that Wellington has inherent advantages as a convention destination and by adopting a co-ordinated city-wide approach to bidding for events it is better placed to attract and retain business than other centres;
23. Officers have worked with Te Papa and WellingtonNZ to develop a co-operative operating model for Tākina that builds on the primary competencies of each entity, aligns incentives, ensures that the key parties have sufficient skin in the game, enables delivery of a Wellington experience, supports delivery of broader city outcomes, and provides a platform to deliver services in line with best industry practice.
24. The Council meeting of 10 December 2018 asked Officers to report back on the appointment of an operator of the convention and exhibition operations for confirmation by Council. This process has been extensive and taken significantly longer than anticipated, but has been completed at a level of detail that captures the full extent of the arrangements including service standards, venue standards, detailed responsibilities, performance expectations and the performance framework.

Kōrerorero

Discussion

25. Te Papa operates a conferencing and meetings business trading as **Te Papa Venues** utilising a range of venue spaces at the Te Papa Museum.
26. The Te Papa venue spaces include the dedicated conferencing and meeting spaces: Oceania Room; Icon, The Te Huinga Centre; and the Blue Whale room.
27. In addition Te Papa Venues utilises a range of Museum spaces to deliver conferences, meetings and banquets, these include; The Soundings Theatre, Espresso lounge; Amokura Gallery; Mahuki; and the Wellington Foyer.
28. The Te Papa Venues business is the largest conferencing and meetings business in Wellington. They operate a vertically integrated model where the full suite of event services are able to be delivered and controlled directly by Te Papa Venues. This

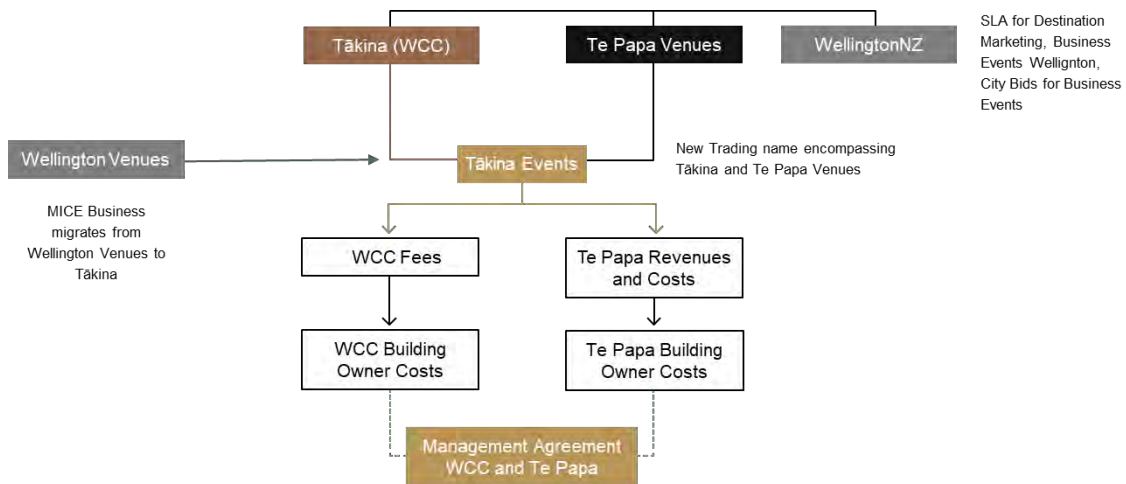
- includes operating their own commercial kitchens and maintaining their own audio visual and technical teams.
29. The Te Papa Venues business will be directly impacted by the increased national competition from the entry of Te Pae and NZICC. They will also face increased competition in the Wellington market from the opening of Tākina which can be expected to attract the larger business events away from Te Papa.
 30. WellingtonNZ operate conferencing and meetings business through Venues Wellington in the multi purpose civic venues. The Venues Wellington model is largely a bare venue hire with food and beverage and audio visual and technical services outsourced to third party providers. The scale of this business is around 40% of the scale of the Te Papa Venues operations.
 31. WellingtonNZ operate the Business Events Wellington (BEW) Team which markets Wellington to the business events sector and seeks to attract business events to Wellington through bidding on events and developing relationships with key conference organisers.
 32. WellingtonNZ also carry out the destination marketing for Wellington and maintains a number of important sector relationships with Tourism NZ, Ministry of Business Innovation and Employment, Business Events Industry Aotearoa and others.
 33. The Business Case for Tākina identified the strong logic for operating the convention and exhibition centre in a co-operative framework involving Council, Te Papa and WellingtonNZ. Officers were tasked with working with the parties to fully scope out how a co-operative model would work and to report back to Council with recommendations to confirm the appointment of operators for the Convention and Exhibition operations.
 34. Council, in determining the operating model, are seeking a model that delivers the best outcome for the City from an economic and financial perspective through delivering services in accordance with best industry practice.
 35. KPMG were engaged through a competitive process, based on their previous experience in a number of convention centre projects in NZ and Australia, to assist in defining the optimal operating model to deliver on Council's objectives, the range of potential options and a robust evaluation framework.
 36. A Steering Group was established that comprised
 - a. K Lavery, the then Chief Executive of Council;
 - b. S Harmon, Sky Stadium Chief Executive;
 - c. P Chew, KPMG; and
 - d. D McComb, Council Project Director
 37. The outcome of this process culminated in a decision by the Steering Group to work with Te Papa to develop the operational service delivery model and with WellingtonNZ in respect to marketing. The reasoning for this included:
 - a. A clear preference for a vertically integrated service delivery to enable greater levels of control over the key client facing areas of food and beverage, audio visual and technical services;
 - b. The ability to leverage off an existing and comprehensive overhead structure which included sales teams, operational management, event staff, food and beverage teams, audio visual and technical service teams, and a full range of corporate services;

- c. The potential to co-host events across the two adjacent and complementary venues rather than compete; and
- d. An overall lower risk model for Council.

38. The key challenge in developing a commercial arrangement with Te Papa for service delivery was to ensure the incentives for Council and Te Papa are aligned. That is, ensuring that one venue was not favoured over another to the financial detriment of Council and that both parties were fairly exposed to the risk and reward from the operations.

The Conferencing and Business Events Operational Model

39. The proposed Operating Model for the conferencing and business events delivery is illustrated below:



- 40. Under the proposed model, Te Papa will deliver Event Services exclusively at Tākina under a Management Agreement. Tākina is the building name of the Wellington Convention and Exhibition Centre owned by Council.
- 41. The Te Papa Venues and Tākina will be marketed and operated as a new and integrated operation and brand – **Tākina Events**.
- 42. Tākina Events will be the trading name under which the services are marketed and delivered, it is not a separate legal entity.
- 43. Te Papa will cease to operate using the Te Papa Venues brand for the services and spaces covered under Tākina Events.
- 44. The Te Papa venue spaces and the Tākina venue spaces will be operated on a **One Venue** basis, that is, as if they were a single integrated facility. Te Papa will be the exclusive provider of the Event Services under the Tākina Events brand;
 - a. The combined facilities will be managed and operated in a manner consistent with Council’s desire to establish and maintain Wellington as a leading visitor destination for national and international business events in accordance with best industry practice.
 - b. Tākina Events will deliver a patron and visitor experience that matches or betters comparable facilities.

- c. Council, Te Papa and WellingtonNZ will collaborate to attract events to Wellington and drive business growth within Tākina Events.
 - d. Tākina Events will operate “best in class” operational procedures and service delivery, with a focus on innovation, showcasing local talent and produce and a culture of continuous improvement.
 - e. Under the model Te Papa will receive all of the event revenues and meet all of the event direct operating costs and overheads.
 - f. Te Papa will pay a Fee to Council based on the total gross revenues generated through Tākina Events. That is, it includes the gross revenues generated at Tākina and also the gross revenues generated from the Te Papa venue spaces operated under Tākina Events. This is an important aspect of the model as it ensures that the incentives of Council and Te Papa are aligned and there are no benefits or impacts of favouring one venue space over another.
 - g. Council will meet the Tākina building ownership costs associated with exterior cleaning, maintenance, depreciation, insurance and financing.
 - h. Te Papa will meet the Te Papa building costs associated with the Te Papa spaces.
 - i. The commercial terms and the financial outcomes are detailed in the Public Excluded paper titled “Tākina Management Agreement Commercial Terms”.
45. The Te Papa venue spaces and Tākina spaces complement each other well and lend themselves to being operated in an integrated fashion:
- a. Tākina has large flexible spaces which can be supported by the wide array of smaller rooms available at Te Papa which supports multiple break out options. These include:
 - i. Oceania:
 - ii. Amakoura Gallery; and
 - iii. Te Huinga Centre
 - b. The Soundings Theatre, Icon, Espresso Lounge and the Wellington Foyer at Te Papa provide a range of add-on venue space options that can host and support larger events; and
 - c. The combined kitchen facilities across Te Papa and Tākina will ensure that a wide range of concurrent events are able to be catered for; the food production operations are de-risked across two adjacent sites; and lower levels of Furniture, Fixtures and Equipment (FF&E) are required across the two venues compared to two independent operations.
46. The combined “one venue” model provides a scale and wider range of options that will enable Wellington to compete for multiple medium to large business events.
47. There will inevitably be business that would normally have utilised the Venues Wellington spaces that will opt to hold their events at Tākina.
48. This transition was anticipated through the Tākina business case. The “one venue” model makes for a cleaner delineation between business events, which will be centred around Tākina Events, and growing the Performance, Entertainment and Community events will be a focus for Venues Wellington.

The Management Agreement

49. The arrangements between Council and Te Papa will be set out in a Management Agreement. The Agreement has been developed and will be completed subject to and reflecting the approvals of Council outlined in this report and the separate report titled Tākina Management Agreement Commercial Terms..
50. The Management Agreement has been developed with Bell Gully providing the legal advice and support to Council, Buddle Findlay has acted for Te Papa and the agreement has been reviewed by Council's in-house legal team.
51. The Management Agreement is based on a set of Shared Objectives:
- a. To grow the economic contribution to Wellington from securing and growing Wellington's share of the business events market;
 - b. To provide for a world class convention and exhibition centre experience in Wellington through the integrated management and operation of the Te Papa and Tākina venue spaces;
 - c. To establish a collaborative model under which the venues spaces are marketed, managed and operated as if they were part of a single integrated facility with a single identity delivering consistent standards without preference between them;
 - d. To deliver a step change in the quality and level of Event Services delivered to visitors and patrons in line with best industry practice;
 - e. To deliver a "Wellington" experience through support of local businesses including, but not limited to, food and beverage providers;
 - f. To benefit from forward thinking and continuous improvement in the development of systems, processes and the delivery of services;
 - g. Acknowledge the importance of Te Tiriti o Waitangi and matauranga Maori in the delivery of Tākina Events;
 - h. To provide training, employment and career opportunities to rangatahi in partnership with mana whenua;
 - i. To ensure that the Services are delivered in a sustainable manner; and
 - j. To ensure that the parties' valuable relationships with each other and WellingtonNZ are maintained in a manner that retains and does not conflict with support for Te Papa Museum activities.
52. The Management Agreement is based on a set of Relationship Principles that articulate how the parties will behave and work together. The principles include:
- a. Working Together; The parties will work seamlessly together in the delivery of services. This agreement provides the opportunity to set a new benchmark for service delivery.
 - b. Quality of Service; Aim for consistently high standard and quality across all facilities.
 - c. Financial; Recognise that each party has financial goals that need to be achieved.
 - d. Communication; Communicate frequently, openly and honestly with each other with a principle of "no surprises".

- e. Continual Improvement; Continually seek better ways of doing things.
 - f. Conflicts; Commit to resolving conflicts as they develop.
 - g. Fairness; Treat each other fairly.
 - h. Focus; Provide the appropriate time, management focus and support.
 - i. Pro-active; To be pro-active in seeking new business and opportunities to increase existing business.
 - j. Showcasing Wellington; Tākina provides an opportunity to showcase Wellington in terms of the experience delivered to visitors in terms of types of events, quality of service and delivering a uniquely Wellington Experience.
 - k. United Approach; To work together and support each other.
 - l. Value Added; To seek to derive more from the relationship than just an exchange of services.
 - m. Innovation; Commit to the exploration and adoption of innovation to increase value for each party
 - n. Ethics; To discuss any events that pose any ethical or reputational concerns for either party.
53. The Management Agreement incorporates a comprehensive and detailed Performance Management Framework which forms the basis of driving and measuring performance supported by key performance indicators and performance targets.
54. The term of the Agreement is five years with two rights of renewal of five years each. Council has the ability to undertake a substantive review one year prior to any contract renewal. The substantive review is based on performance against the Agreement, the Performance Management Framework, KPI's and Targets.
55. Provided the substantive review is satisfactory to Council then Te Papa would have the right to trigger an extension.
56. There is a period between signing the Management Agreement and the Commencement date of event services of around 20 months. The Management Agreement sets out the transition planning and pre-opening activities that Te Papa will be required to undertake during this period.
57. The Agreement sets out the Business Planning requirements which include revenue projections, event projections, forward booking pipelines, sales and marketing plans, a resources plan, the status of the FF&E reserve, maintenance and replacement plans and a rolling exhibition plan. The Business Planning requirements then form the basis of on-going reporting.
58. Governance of the arrangement will be delivered through a Relationship Management Group which has defined terms of reference and includes one executive from each of Te Papa, Council and WellingtonNZ. The Relationship Management Group will be chaired by an independent subject matter expert.
59. The Relationship Management Group will oversee the practical implementation and performance of the arrangements. It will monitor performance, develop the annual plan including the revenue targets, review the effectiveness of the services and identify early any issues and/or opportunities for improvement.
60. Reporting to Council on the performance will be through the normal quarterly reporting process supplemented by formal six monthly reports to Council.

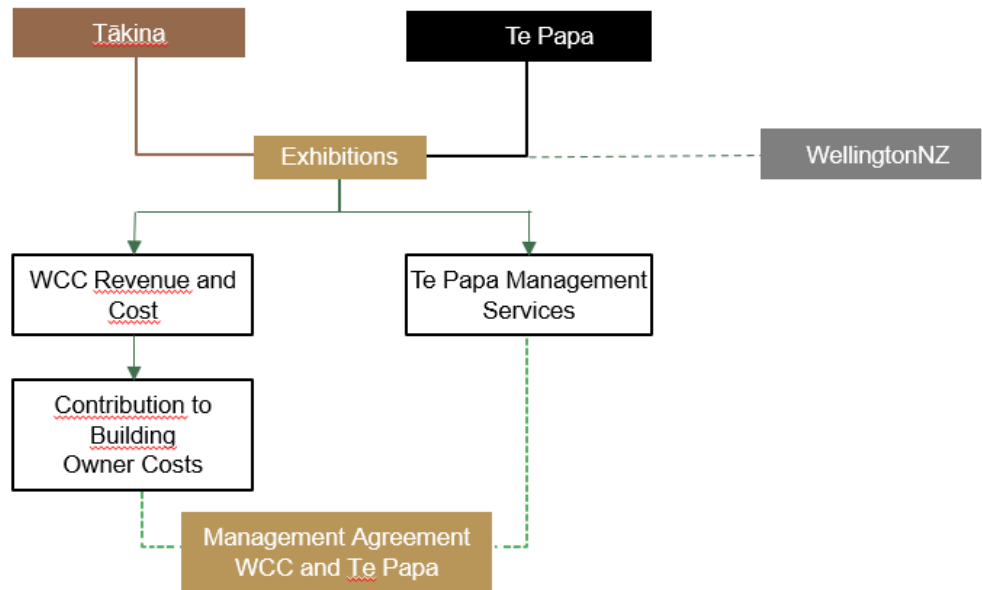
61. Because the nature of the Agreement is a long term commitment by both parties, the Agreement incorporates a right of first refusal that can be exercised by Te Papa in the event Council wishes to sell Tākina.
62. The Agreement is comprehensive and also sets out the services to be delivered under the Agreement, the venue standards expected, the sales and marketing arrangements and the respective operating roles and responsibilities of the parties. These are developed in detail within the Agreement to provide clarity.
63. The agreement opens up a range of opportunities to continue to work with mana whenua and Taranaki Whānui and this is discussed the section titled Implications for Maori.
64. The model outlined here is not dissimilar to the model Council operates for the civic venues. A range of Council venues are operated under a management agreement by WellingtonNZ, the operator, using a trading name, Venues Wellington. The management agreement with Te Papa for Tākina Events is significantly more comprehensive.
65. The Commercial Terms are set out in a separate report that is Public Excluded as it contains details that are commercially sensitive.

The Marketing Arrangements

66. The Management Agreement sets out the respective responsibilities of Council and Te Papa with respect to sales and marketing. This is an area that requires close collaboration and a genuine partnership approach. At the simplest level Te Papa is responsible for all of the sales activities and Council is responsible for delivery of all City and Business Events Marketing activities.
67. Council will enter into a Service Level Agreement with WellingtonNZ for the delivery of the Destination Marketing and Business Event attraction activities that are the responsibility of Council under the Management Agreement. WellingtonNZ will be represented on the Relationship Management Group to ensure there is a collaborative and joined up approach to sales and marketing activities and performance management across the activities of Tākina Events.
68. The Business Events Wellington team has been seconded from WellingtonNZ to work with the Tākina project team to provide a sharp focus on business attraction and promoting Tākina between now and opening. Business events tend to have long booking lead times and having the BEW team focused on this now is critical to the success of Tākina. The BEW team are now co-located at Te Papa with their operational and sales team to build the relationships and co-ordinate activities in the pre-opening phase.

The Exhibition Model

69. The proposed Operating Model for exhibitions is illustrated below:



70. The business case for Tākina incorporated a separate space within the building on the ground floor that would deliver commercial ticketed public exhibitions. The space comprises around 1,600sqm and is designed and set up as an exhibition gallery.
71. Working with Te Papa an outline programme was developed and incorporated into the business case and through into the Council Long Term Plans.
72. The proposed exhibition operational model is consistent with the approach outlined in the approved business case. This is outlined in more detail below.
73. Te Papa will provide a range of Exhibition Management Services under the Management Agreement that include:
 - a. Developing and maintaining a five year rolling exhibition programme;
 - b. Management and advisory services to implement the programme;
 - c. Proactively sourcing suitable product for the programme;
 - d. Development of the assessment and business case for each exhibition for approval.;
 - e. Negotiate the commercial and contractual agreements with the exhibition owner for approval.;
 - f. Liaise with WellingtonNZ as to the suitability of product for the Wellington Market, and the marketing and sponsorship arrangements for each exhibition;
 - g. Provide Exhibition operational services on a cost recovery basis if required by Council.
74. WellingtonNZ will provide marketing services for each exhibition and support through the Major Events team with respect to exhibition evaluation and delivery.
75. The operational and commercial arrangements for each exhibition will be different and particular to that exhibition.
76. Typically the exhibition negotiations are competitive and are conducted under a non-disclosure agreement. We note that an approval process to review, assess and

approve each individual exhibition is required and enable us to execute exhibition agreements. Timeframes to make decisions will potentially be limited and the approval process needs to be able to respond quickly and efficiently.

77. For each proposed exhibition there will be a business case setting out the proposed exhibition, the visitation projections, the commercial terms, a full risk assessment and financial modelling.
78. Depending on the nature of each exhibition there will be instances where Council will have the full commercial risk from the exhibition, particularly major exhibitions. The main risks to Council for any exhibition are related to visitor numbers and this is mitigated by a strong assessment process for each exhibition, a robust business case and having well considered protections in contracts and management plans with respect to Covid-19.
79. On Councils' behalf, Te Papa are currently in advanced discussions with Exhibition owners for the first two exhibitions planned for Tākina. The first is a strong family attraction that will have broad appeal through the winter and school holiday period following opening followed by an internationally recognised and acclaimed exhibition that will take place over the summer months.
80. Officers will bring a report to Council on the exhibition programme and to set out a clear decision making process. This report will set out in more detail the planned exhibition programme, and the process to review, assess and approve individual exhibitions taking into account the need for confidentiality and timely decision making.

The Ground Floor Cafe

81. Council are currently seeking a third party café operator, through an expression of interest process, to design, fit-out and operate a destination café on the ground floor of Tākina. The café will provide an opportunity for a local operator to develop and showcase local food and produce to support and complement the activities within the centre. The operating model outlined for Wellington provides an opportunity for our offering to be differentiated and focused on delivering a Wellington experience.

Kōwhiringa

Options

82. KPMG were engaged to assist with defining what an optimal operating model was, identifying the range of alternatives and evaluating them.
83. The optimal operating model and range of alternatives was developed and assessed, the alternatives considered included:
 - a. A business unit of Council
 - b. A new Council Controlled Organisation
 - c. An extension to the Venues Wellington operations
 - d. A partnership with Te Papa
 - e. A third party private sector operator; and

- f. A co-operative three way partnership between WCC, Te Papa and WellingtonNZ
- 84. The Steering Group agreed on a preferred approach, which was to develop the co-operative operating model on the basis that Te Papa would provide conference event and exhibition services, WellingtonNZ would provide marketing services and Council would provide building management services.
- 85. The proposal set out in this report is the preferred and recommended option of Officers based on the direction provided by the Steering Group.
- 86. The option to seek an independent third party private operator was assessed and while not preferred remains an option should the co-operative model not be approved. A combined City approach will negate the potential for internal price competition.
- 87. Te Pae, the Convention Centre in Christchurch has contracted the management of their centre to AEG Ogden, an Australian operator part of a large international business. NZICC when completed will be operated by SkyCity.

Whai whakaaro ki ngā whakataunga

Considerations for decision-making

Alignment with Council's strategies and policies

- 88. This is directly aligned with Council's strategies and policies and gives effect to the Council decision of 10 December 2018.

Engagement and Consultation

- 89. There is no specific requirement for engagement or consultation with respect to the decisions sought through this paper.
- 90. There will be a media release regarding the decision.

Implications for Māori

- 91. This project provides a range of opportunities to develop the unique identity of Tākina in conjunction with Tangata Whenua. These include;
 - a. developing the building with a strong identity that links to its place in Wellington;
 - b. supporting the telling of local stories,
 - c. connecting the cultural pathway from Te Aro pa via Tākina, Te Papa and along the waterfront;
 - d. providing opportunity for the unique Wellington experience by incorporating local tikanga into the Operating Model; and
 - e. partnering in the Tākina Events Pathway programme for rangatahi.
- 92. Taranaki Whānui has been involved in the project from the initial site blessing in August 2019. The name and narrative for Tākina were developed with Taranaki Whānui and they gifted both the name Tākina and the karakia for Tākina.
- 93. They are now engaged on taking the Tākina name and narrative through into the building through the naming protocols.

-
94. A process to develop the tikanga for Tākina and how this interfaces with Te Papa Iwi-in-residence is underway.
95. As part of the Management Agreement with Te Papa, Council has agreed that Te Papa will develop in conjunction with mana whenua and hospitality training institutes a pathway programme which will develop training and career pathways within Tākina Events for rangatahi.

Financial implications

96. The detailed commercial terms are summarised in the Public Excluded report, titled “Tākina Management Agreement Commercial Terms”. These have been negotiated and agreed with Te Papa subject to Council approval.
97. Based on the agreed commercial terms there are no material financial implications arising from the Agreement with Te Papa and specifically;
- a. Do not result in any additional expense to Council in the current financial year.
 - b. Are consistent with those incorporated in the 2021-31 Long Term Plan. The financial projections indicate an improved financial position, this is summarised in the report titled “Tākina Management Agreement Commercial Terms” that sets out the operating contribution towards building ownership costs (depreciation, interest, insurance and rates);
 - c. Any impacts are primarily Opex related; and
 - d. The proposed operating model results in a change of approach to a fully Fee model based on the combined revenues from the One Venue approach. This is compared to stand alone model where Council receives all of the revenues from Tākina and meets all of the direct costs associated with service delivery and carries all of the fixed overheads. Overall this provides a lower risk model from a financial perspective.

Legal considerations

98. The co-operative one venue model is given effect through a contractual agreement, the “Management Agreement” between Te Papa and Council.
99. The Management Agreement has been developed through our external legal advisors, Bell Gully, and has been reviewed by our internal legal team. The risks to Council are primarily commercial and reputational and these are well addressed in the agreement.
100. The marketing arrangements between WellingtonNZ and Council are given effect through a Service Level Agreement that will be maintained through the annual Statement of Intent between Council and WellingtonNZ
101. Each Exhibition to be delivered at Tākina will require an individual legal contract specific to the exhibition.

Risks and mitigations

102. The risks are primarily commercial and relate to the ability of the operating arrangements to deliver the levels of business necessary to generate the wider city outcomes sought (economic activity) and the financial returns to minimise costs to ratepayers.
103. The main commercial risks are set out below together with mitigation:

-
- a. *Poor service levels impacting on bookings and utilisation levels* - Good performance frameworks and expectations that support delivery of services at a requisite standard in line with best industry practice are embedded through the Management Agreement.
 - b. *Poor market presence impacting on bookings and utilisation levels* - We have strengthened the Business Events Wellington team, activated them early and have a strong performance framework in place with WellingtonNZ.
 - c. *Poor performance by Te Papa in service delivery impacting revenues* - The Management Agreement has a strong and comprehensive performance framework embedded with provision for remedial actions where expectations are not met including provision for a substantive review.
 - d. *Price competition in the local market resulting in lower revenue streams* - The One Venue model and the transition of Venues Wellington away from business events with an increased focus on performance, entertainment and community events ensures a disciplined approach.
 - e. *The impact on Venues Wellington is not able to be fully mitigated* – Venues Wellington will continue to provide conference opportunities where customers determine a preference for the mixed use civic venues or Tākina Events spaces are unavailable. This business and the greater focus on performance, entertainment and community events may not fully offset the potential loss of business to Tākina.
 - f. *Te Papa seek to maximise contribution to Museum running costs* - Incentives are aligned between Te Papa and Council through Tākina Events – the One Venue model with both parties sharing risk and reward without favour and having material skin in the game;
 - i. *Te Papa will have a significant and ongoing investment in the fixed overhead base including sales staff, systems and pre-opening activities needed to operate Tākina Events.*
 - ii. *Te Papa will have a significant investment in the kitchen fit-outs at Tākina, FF&E including all cutlery, crockery and glassware, and staff back of house fitouts.*
 - iii. *The One Venue model sees Council receiving fees from what was core business of Te Papa Venues.*
 - g. *Council, Te Papa and WellingtonNZ not working together, impacting on sales, reputation or service delivery* - The co-operative model requires strong alignment across the three parties. This is achieved through a Relationship Management Group that includes an independent expert chair.
 - h. *Exhibitions* – Depending on the nature of each individual exhibition there will be instances where Council has the commercial risk from an exhibition. This will be managed through a robust assessment process.
104. Covid-19 has had a material impact on travel both domestic, due to lockdowns, and international travel restrictions, as well as restrictions on event sizes. Business Events rely on freedom and willingness to travel, and the ability to hold events of scale. Covid-19 operating protocols will be in place to ensure the fullest range of events can be maintained depending on any Covid-19 restrictions at time of opening.
105. Tākina does not open until mid-2023 at which point expectations are that international borders will have opened and populations will have high levels of

vaccination protection thereby reducing the potential for future lockdowns or event size limitations.

106. Exhibitions have a unique risk profile depending on the contractual arrangement associated with each individual exhibition. The primary risks in relation to exhibitions are:
- a. *Covid-19 impacting on the ability to generate the ticket revenues needed to meet the event costs.* Each individual contract will have specific consideration of Covid-19 and a covid management plan.
 - b. *Visitation lower than expected resulting in exhibitions not covering their costs resulting in a cost to Council.* This is mitigated through a strong process to select each individual exhibition, market testing on appeal and pricing, and a contractual arrangement to leverage off Te Papa expertise in this area. In addition, WellingtonNZ will provide marketing expertise to ensure each exhibition is appropriately promoted.
107. As noted earlier, Officers will bring a report to Council on the exhibition programme and to set out a clear decision making process.

Disability and accessibility impact

108. This report does not raise any specific disability or accessibility issues. The standards of the building project at Tākina have taken these into account in its design and the Management Agreement reinforces the operating standards expected.
109. While the Exhibition Gallery will generally be providing public ticketed exhibitions the multi-year programme will seek opportunities to host a range of community events and provide opportunities for greater accessibility.

Climate Change impact and considerations

110. Tākina is designed and built to 5 Green Star standard. It is the only Convention Centre in New Zealand to have achieved this standard.
111. Part of the certification of Tākina relates to an ongoing commitment to prominently showcase energy usage and water usage within the public areas.
112. The Management Agreement sets expectations on the operator to manage and deliver services in a sustainable manner and in accordance with best industry practice. This would include seeking appropriate sustainability certifications.

Communications Plan

113. A media statement has been prepared in co-operation with Te Papa and WellingtonNZ and will be released at the same time as the Agenda is published.

Health and Safety Impact considered

114. Health and safety responsibilities are addressed specifically in the Management Agreement.

Ngā mahinga e whai ake nei

Next actions

115. Officers are seeking delegation for the Chief Executive to execute the Management Agreement with Te Papa and the Marketing Service Level Agreement with WellingtonNZ consistent with this report.
116. Upon signing, the next steps will be in relation to activating the implementation plan that details the work required between now and the opening of Tākina and continuing to drive the marketing activities of the Business Events Wellington team.
117. Officers will continue to work on developing the exhibition programme and identifying the initial exhibitions for Tākina.
118. Officers will bring back a report to Council setting out the detail around the exhibition programme and recommendations regarding how exhibitions will be assessed and approved.

Attachments

Nil

VACANCY IN COUNCIL

Kōrero taunaki

Summary of considerations

Purpose

1. This report asks Te Kaunihera o Pōneke | Council to consider whether to appoint a person to fill the current vacancy in Council created by the resignation of Councillor Malcolm Sparrow, or whether to leave the position vacant.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

Relevant Previous decisions

Nil.

Significance

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

Financial considerations

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

Risk

- Low Medium High Extreme

Author	Sean Johnson, Senior Democracy Advisor
Authoriser	Jennifer Parker, Democracy Services Manager Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

- 1) Receive the information.
- 2) Agree to appoint *NAME* to fill the vacancy in Council, OR
Agree to not fill the vacancy in Council
- 3) Appoint Councillor Condie to the Tawa Community Board.
- 4) Appoint *NAME* as chairperson of the Pūroro Hātepe | Regulatory Processes Committee.
If Council chooses to appoint somebody
- 5) Agree that the criteria used to select *NAME* was that they can contribute to the advancement of Wellington City.
If council chooses not to appoint somebody
- 6) Recommend the below remuneration proposal to the Remuneration Authority:

Position	Proposed remuneration (per annum)	Total (per annum)
Deputy mayor	\$140,056	\$140,056
5 x chair of committee of the whole	\$121,554	\$607,770
7 x councillors	\$119,618	\$837,326
Total (pool)		\$1,585,152

Whakarāpopoto

Executive Summary

2. On 8 October 2021, Councillor Malcolm Sparrow resigned from Wellington City Council creating an extraordinary vacancy in Council. Councillor Sparrow was also one of the councillors appointed to the Tawa Community Board.
3. The Local Electoral Act 2001 (the Act) requires Council to resolve whether to:
 - appoint a person to fill the vacancy, or
 - not fill the vacancy.
4. This decision must be made at this meeting.
5. Councillor Sparrow must be replaced on the Tawa Community Board by another relevant ward councillor.

Takenga mai

Background

6. On 8 October 2021, Councillor Sparrow resigned from Wellington City Council creating an extraordinary vacancy in Council.
7. Resignations which occur during a triennium are treated as extraordinary vacancies and sections 117-120 of the Act 2001 apply.

8. As this vacancy was created 12 months or less than 12 months before the next local elections (8 October 2022) a by-election cannot be held.
9. Instead, the Act requires Council to resolve whether to:
 - appoint a person to fill the vacancy, or
 - not fill the vacancy.
10. This decision must happen at either the first Council meeting following the resignation, or if that is not practicable the subsequent one.
11. The first Council meeting following the resignation was on 12 October 2021. It was not practicable to make this decision at that time and so the decision must be made at this meeting. It cannot be deferred.

Kōrerorero

Discussion

Filling vacancy by appointment

12. Should Council wish to fill the vacancy by appointment then the person to be appointed must be named in the resolution of this meeting. Council cannot make the decision to appoint in principle and then make the actual appointment at a later date.
13. Public notice must be given of the decision and the process or criteria by which the person was selected for appointment.
14. Following public notification, there is a 30 day period to ensure the person named in the resolution is available to take up the appointment after which Council must resolve to confirm the appointment. The appointed person is treated as an elected councillor from the date that the resolution of confirmation is made. This would be at the Council meeting on 25 November.
15. Should the named person be unavailable to take up the role then a further extraordinary vacancy would be created.

Leaving the vacancy unfilled

16. Council could also choose to not fill the vacancy and operate with one less member for the remainder of the triennium.
17. Public notice must be given of the decision to leave the vacancy unfilled.
18. Councillor remuneration comes from a pool set by the Remuneration Authority. All of the pool must be allocated to councillors. \$111,225 per annum would need to be reallocated.

Remuneration Allocation

19. If Council chose not to fill the vacancy, then it would have to also make a recommendation to the Remuneration Authority of how it wishes to allocate the pool.
20. Council could choose to split the pool any way it wishes. If Council wanted to apply the same percentage increase to all councillors (7.55%) then it should add a recommendation to the motion as follows:

Recommend the below remuneration proposal to the Remuneration Authority:

Position	Proposed remuneration (per annum)	Total (per annum)
Deputy mayor	\$140,056	\$140,056
5 x chair of committee of the whole	\$121,554	\$607,770
7 x councillors	\$119,618	\$837,326
Total (pool)		\$1,585,152

21. A remainder of \$2 not able to be split evenly between councillors has been allocated to the Deputy Mayor.
22. The Mayor's salary is set by the Remuneration Authority and cannot be changed.
23. The remuneration paid to Iwi on behalf of the mana whenua representatives on Council committees is "equivalent to the remuneration of a full time elected member" and so if Council chooses not to appoint someone to fill the vacancy then this fee will be increased to whatever base salary Council resolves at this meeting.
24. Any new remuneration allocation needs a determination by the Remuneration Authority. The Remuneration Authority have indicated that they will be able to issue a new determination before the end of 2021. The determination will be backdated to the date of the resolution.

Impact on Tawa Community Board

25. The Tawa Community Board (the Board) has two members appointed by Council. Councillor Sparrow was one of the two councillors appointed to the Board.
26. Under the Act only councillors from the relevant ward can be appointed to a community board in relation to Council appointments to the Board.
27. Currently, Councillor Condie is the only councillor from the relevant ward not appointed to the Board and so she must be appointed to replace Councillor Sparrow in this role.

Impact on Pūroro Hātepe | Regulatory Processes Committee

28. Prior to resignation Councillor Sparrow was chair of the Pūroro Hātepe | Regulatory Processes Committee.
29. Council will need to appoint another member of the committee as a chairperson.

Kōwhiringa

Options

30. With regard to the vacancy in Council created by the resignation of Councillor Sparrow, the Local Electoral Act 2001 requires Council to resolve whether to:
 - appoint a person to fill the vacancy and name the person to be appointed, or
 - not fill the vacancy.
31. With regard to the chairperson of the Pūroro Hātepe | Regulatory Processes Committee, Council can appoint any member of the committee as chair. If the current deputy chair, Councillor Woolf, is appointed then Council could also appoint a member as the new deputy chair.

Whai whakaaro ki ngā whakataunga

Considerations for decision-making

Alignment with Council's strategies and policies

32. Not applicable.

Engagement and Consultation

33. This decision is rated as low significance under our Significant and Engagement Policy. As such, and due to the short legislative timeframe, no public engagement or consultation has been conducted.

Implications for Māori

34. There are no known implications specifically for Māori.

Financial implications

35. The decision to appoint a person to fill the vacancy or not does not affect the total amount of remuneration paid to councillors as this comes from a fixed pool set by the Remuneration Authority.
36. Operation costs associated with onboarding any potential new councillor will fall under existing operational budgets.

Legal considerations

37. The process for filling an extraordinary vacancy in Council is set by the Local Electoral Act 2001. This process complies with the requirements of the Act as outlined in the paper.

Risks and mitigations

38. If Council chooses to appoint a person to fill the vacancy, then there is a risk that that person is not available to take up the role. In that case a new vacancy is created, and this process is repeated.

Disability and accessibility impact

39. Not applicable

Climate Change impact and considerations

40. Not applicable.

Communications Plan

41. Public notification of Council's decision is required. A media release will be issued and communications sent to key stakeholder groups in the Northern Ward.

Health and Safety Impact considered

42. Not applicable.

Ngā mahinga e whai ake nei

Next actions

43. Further actions are dependent on the option chosen and are detailed in the main body of the report.

Attachments

Nil

REPRESENTATION REVIEW FINAL PROPOSAL

Kōrero taunaki

Summary of considerations

Purpose

1. This report asks Te Kaunihera o Pōneke | Council to resolve a final proposal for representation arrangements for local elections.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

Relevant Previous decisions

Te Kaunihera o Pōneke | Council resolved its Representation Review Initial Proposal on 26 August 2021.
Oral submissions on the initial proposal were received at the Te Kaunihera o Pōneke | Council meeting on 12 October 2021.

Significance

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

Financial considerations

- | | | |
|------------------------------|---|---|
| <input type="checkbox"/> Nil | <input checked="" type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|------------------------------|---|---|

2. Costs associated with the representation review were met from existing operational budgets.

Risk

- | | | | |
|------------------------------|--|-------------------------------|----------------------------------|
| <input type="checkbox"/> Low | <input checked="" type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|------------------------------|--|-------------------------------|----------------------------------|

Author	Sean Johnson, Senior Democracy Advisor
Authoriser	Jennifer Parker, Democracy Services Manager Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Ordinary Council Meeting:

1. Receive the information
2. Adopt, in accordance with sections 19H and 19J and clauses 1 and 2 of schedule 1A of the Local Electoral Act 2001, a final proposal for Council representation with:
 - a. Fifteen total councillors (other than the mayor).
 - b. Fifteen councillors being elected by ward.
 - i. One councillor being elected from a Māori ward.
 - ii. Fourteen councillors being elected from general wards.
 - c. One Māori ward
 - i. Te Whanganui-a-Tara Ward, electing one councillor, comprising all of Wellington City.
 - d. Five general wards:
 - i. Takapū Northern Ward, electing three councillors, comprising the suburbs of Ōhāriu, Tawa, Takapu Valley, Grenada North, Glenside, Grenada Village, Churton Park, Horokiwi, Paparangi, Woodridge, Johnsonville, and Newlands.
 - ii. Wharangi Onslow-Western Ward, electing three members, comprising the suburbs of Mākara Beach, Mākara, Ngaio, Kaiwharawhara, Crofton Downs, Wadestown, Northland, Broadmeadows, Ngauranga, Khandallah, and Karori.
 - iii. Pukehīnau Lambton Ward, electing three members, comprising the suburbs of Thorndon, Pipitea, Wellington Central, Te Aro, Oriental Bay, Kelburn, Highbury, Aro Valley, Mount Cook, and Mount Victoria.
 - iv. Motukairangi Eastern Ward, electing three members, comprising the suburbs of Roseneath, Hataitai, Kilbirnie, Lyall Bay, Rongotai, Miramar, Maupuia, Karaka Bays, Seatoun, Strathmore Park, Houghton Bay, Melrose, and Moa Point.
 - v. Paekawakawa Southern Ward, electing two members, comprising the suburbs of Brooklyn, Owhiro Bay, Island Bay, Southgate, Berhampore, Newtown, Vogeltown, Mornington, and Kingston.
3. Agree to include in the final proposal community board representation as follows:
 - a. Tawa Community Board, with eight members total, six members elected by the whole community and two appointed members, comprising the suburbs of Grenada North, Takapu Valley, and Tawa.
 - b. Mākara/Ōhāriu Community Board, with six members total, all elected by the whole community, comprising the suburbs of Mākara, Mākara Beach, and Ōhāriu.
 - c. No alterations to the boundaries of either community.
4. Agree that the ground on which the final proposal is not compliant with section 19V(2) of the Local Electoral Act 2001 is that compliance with subsection (2) would limit effective representation of communities of interest by dividing a community of interest between wards.
5. Agree to the proposed “reasons for any rejection of submissions” as outlined in the report.

Whakarāpopoto

Executive Summary

3. On 13 May 2021, Council resolved to establish a Māori ward for at least the 2022 and 2025 elections. This required Council to undertake a representation review.
4. When making decisions about representation, Council considers three key factors:
 - What are Wellington City's communities of interest?
 - How can those communities be effectively represented?
 - How can those communities be fairly represented?
5. At its meeting on 26 August 2021, Council decided its initial proposal for representation being to maintain the status quo general wards and add the new Māori ward councillor as an additional councillor.
6. Consultation was open from 4 September 2021 to 4 October 2021 and 52 submissions were received. 30 submissions (59%) indicated that they supported the proposed representation arrangements for Council. 21 submissions (41%) indicated that they opposed the proposal.
7. Officers' recommendations are to retain Council's initial proposal as its final proposal for representation arrangements.
8. As the initial proposal contained three wards that did not comply with the 10% rule in the Local Electoral Act 2001 (the Act), Council would have to refer its final proposal to the Local Government Commission for a final decision.

Takenga mai

Background

9. Every three years, elections are held for Councils. To ensure that we have fair and effective representation at these elections, councils are required by the Act to review their representation arrangements at least once every six years.
10. Wellington City Council conducted its last representation review in 2018 and would not usually be required to conduct a representation review ahead of the 2022 local elections. However, Council's decision in May to establish a Māori ward triggered the need to conduct a representation review in 2021.
11. The Act establishes the process and timeline that must be followed when undertaking a representation review.
12. In a representation review, Council must determine:
 - The total number of councillors
 - Whether any councillors should be elected at-large (by the whole city)
 - The number of wards (electoral subdivisions)
 - The boundaries, names, and number of councillors for each ward
 - What community boards there should be (if any)

Status quo

13. Currently, Wellington City is represented by 14 councillors and a mayor.
14. The councillors are elected through a system of five wards: Pukehīnau/Lambton Ward, Motukairangi/Eastern Ward, Paekawakawa/Southern Ward, Wharangi/Onslow-Western Ward, and Takapū/Northern Ward. The mayor is elected by the entire city (at-large).
15. Wellington also has two community boards: Tawa Community Board representing the suburbs of Tawa, Grenada North, and Takapu Valley; and Makara/Ohariu Community Board representing the suburbs of Mākara, Mākara Beach, and Ōhāriu.

Key considerations

16. When making decisions about representation, Council considers three key factors:
 - What are Wellington City's communities of interest?
 - How can those communities be effectively represented?
 - How can those communities be fairly represented?
17. Considerations of fair representation and effective representation are both equally important. The Act does not prioritise one over the other.

Communities of interest

18. The term 'community of interest' is not defined in the Act. The Local Government Commission 'Guidelines for local authorities undertaking representation reviews 2021' (the guidelines) suggest considering communities of interest as a three-dimensional concept:
 - perceptual – a sense of belonging to a clearly defined area or locality
 - functional – the ability to meet with a reasonable economy the community's requirements for comprehensive physical and human services
 - political – the ability of the elected body to represent the interests and reconcile the conflicts of all its members.
19. The perceptual and functional aspects can be extended to define a community of interest as having:
 - a sense of community identity and belonging reinforced by:
 - distinctive physical and topographical features (e.g., mountains, hills, rivers)
 - similarities in economic or social activities carried out in the area
 - similarities in demographic, socio-economic and/or ethnic characteristics of the residents of a community
 - distinct local history of the area
 - the rohe or takiwā of local iwi and hapū
 - dependence on shared facilities and services in the area, including:
 - schools, recreational and cultural facilities
 - retail outlets, transport, and communication links.
20. Communities of interest can be considered at different levels. For example, Wellington City as a whole can be considered a community of interest, but so can a street. Many people consider their suburb to be a community of interest. For this reason, in most of the options presented below, officers have ensured that ward boundaries match with suburb boundaries as closely as possible.

Effective representation

21. Council must ensure effective representation of communities of interest.

22. Council can have between 5 and 29 members excluding the mayor.
23. The guidelines note that the following factors should be considered when determining effective representation:
 - avoiding arrangements that may create barriers to participation, for example, not recognising residents' familiarity and identity with an area during elections
 - not splitting recognised communities of interest between electoral subdivisions
 - not grouping together two or more communities of interest that have few common interests
 - accessibility, size, and configuration of an area, including:
 - the population's reasonable access to its elected members and vice versa
 - the elected members' ability to:
 - effectively represent the views of their electoral area
 - provide reasonably even representation across the area including activities like attending public meetings and opportunities for face-to-face meetings.

Fair representation

24. Under the Act (section 19V), all wards must have approximately the same population per councillor unless a prescribed ground for non-compliance is met.
25. This rule is known as the 10% rule, as all wards must have a population per councillor within 10% (plus or minus) of the average.
26. The Act sets out four grounds for non-compliance with the 10% rule:
 - to provide for effective representation of communities of interest within:
 - island communities
 - isolated communities
 - where compliance would limit effective representation of communities of interest by:
 - dividing a community of interest
 - grouping together communities of interest with few commonalities of interest
27. If Council did resolve a final proposal that was non-compliant with the 10% rule, then it would have to clearly identify the grounds for the non-compliance.
28. Any decision by Council to not comply with the 10% rule must be referred to the Local Government Commission for a determination.

Māori ward

29. On 13 May 2021, Council resolved to establish a Māori ward for at least the 2022 and 2025 elections.
30. The number of members to be elected from a Māori ward is set by a formula in the Act
The Māori electoral population divided by the total electoral population multiplied by the number of members elected from wards.
The result of this equation, rounded, gives the number of members that are elected from Māori wards.
31. For Wellington, a minimum of 12 councillors need to be elected from wards for Wellington to qualify for one councillor elected from a Māori ward.
 $9,420$ (Māori electoral population) divided by $(216,220)$ multiplied by 12 (councillors from wards) = 0.52 (rounds to 1)

32. All the options considered by Council have at least 12 councillors elected from wards. Given Council's recent decision to establish a Māori ward it would not be consistent to choose a representation option that does not allow for it.
33. Even if Council chose the maximum number of councillors (29), it would not be enough to qualify for another councillor elected from a Māori ward ($9,420 / 216,220 \times 29 = 1.26$).

Councillor Remuneration

34. Councillor remuneration comes from a pool set by the Remuneration Authority that does not change based on the number of Councillors, i.e., the total amount of remuneration paid to councillors will not change if there are greater or fewer councillors. The current remuneration pool as set by the Remuneration Authority is \$1,585,152, split between 14 councillors.
35. If Council resolved to increase the number of Councillors, then the pool would have to be split between a greater number of members, which would mean lower remuneration for councillors on average.

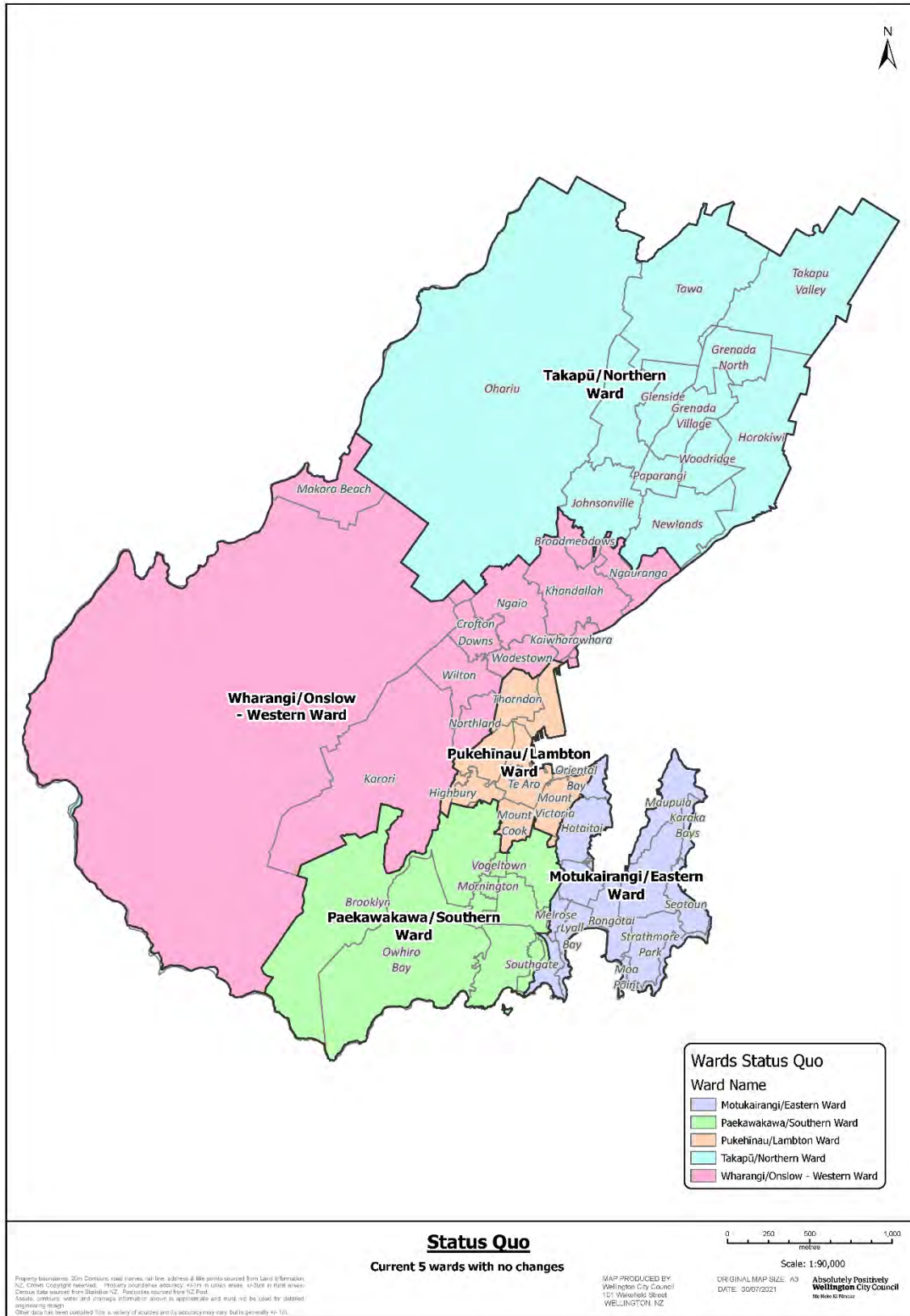
Initial Proposal

36. Based on the above information, Council adopted the following as its representation review initial proposal on 26 August 2021:
 - Wellington City Council to comprise the mayor elected at-large and fifteen councillors elected under a ward system, specifically fourteen general ward councillors and 1 Māori ward councillor.
 - Wellington City to be divided into six wards, comprising the following communities of interest:
 - A Māori ward, Te Whanganui-a-Tara Ward, electing one councillor, comprising all of Wellington City.
 - Takapū Northern Ward, electing three councillors, comprising the suburbs of Ōhāriu, Tawa, Takapu Valley, Grenada North, Glenside, Churton Park, Grenada Village, Horokiwi, Paparangi, Woodridge, Johnsonville, and Newlands.
 - Wharangi Onslow-Western Ward, electing three members, comprising the suburbs of Mākara Beach, Mākara, Ngaio, Kaiwharawhara, Crofton Downs, Wadestown, Northland, Broadmeadows, Ngauranga, Khandallah, and Karori.
 - Pukehīnau Lambton Ward, electing three members, comprising the suburbs of Thorndon, Pipitea, Wellington Central, Te Aro, Oriental Bay, Kelburn, Highbury, Aro Valley, Mount Cook, and Mount Victoria.
 - Motukairangi Eastern Ward, electing three members, comprising the suburbs of Roseneath, Hataitai, Kilbirnie, Lyall Bay, Rongotai, Miramar, Maupuia, Karaka Bays, Seatoun, Strathmore Park, Houghton Bay, Melrose, and Moa Point.
 - Paekawakawa Southern Ward, electing two members, comprising the suburbs of Brooklyn, Owhiro Bay, Island Bay, Southgate, Berhampore, Newtown, Vogeltown, Mornington, and Kingston.
 - Community Board representation as follows:
 - Tawa Community Board, with eight members total, six members elected by the whole community and two appointed members, comprising the suburbs of Grenada North, Takapu Valley, and Tawa.

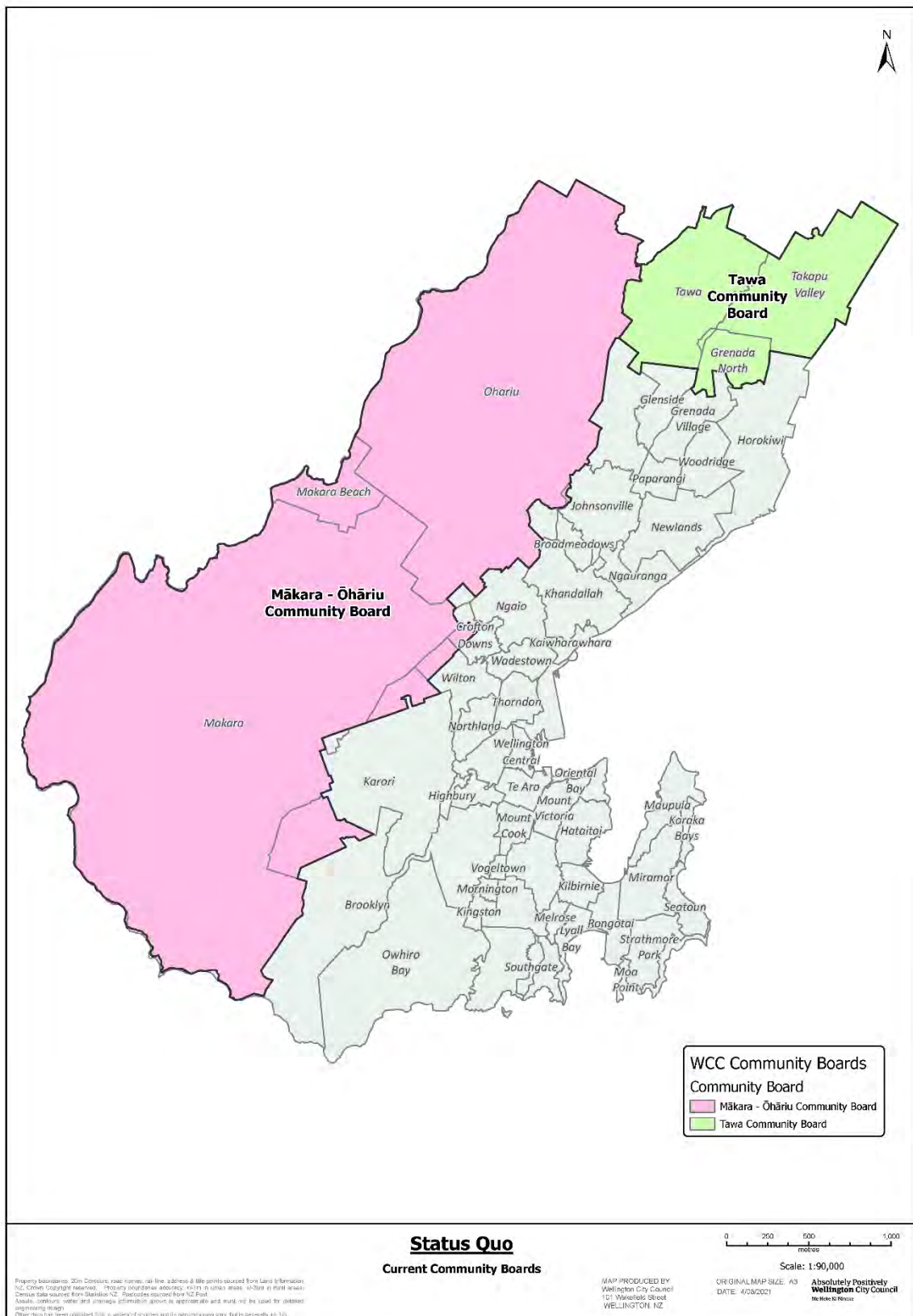
- Mākara/Ōhāriu Community Board, with six members total, all elected by the whole community, comprising the suburbs of Mākara, Mākara Beach, and Ōhāriu.

Initial Proposal Maps

Initial Proposal for Council Representation



Initial Proposal for Community Board Representation



Kōrerorero

Discussion

Formal Consultation Period

37. The initial proposal was open for community feedback between 4 September 2021 and 4 October 2021.
38. Consultation was primarily run through Council's Let's Talk page. Promotional material was also distributed to libraries and community centres.
39. Residents' associations and other key stakeholder groups were informed of the review and officers offered to attend meetings of these groups.
40. Officers attended meetings of the Tawa Community Board, Accessibility Advisory Group, Pacific Advisory Group, and Youth Council to talk about the representation review. Officers planned to attend a Makara/Ohariu Community Board meeting but the meeting was cancelled due to COVID-19 and a submission was received via email instead.
41. 52 submissions were received during this period, these submissions have been circulated to councillors, and made publicly available.
42. 9 oral submissions were received by Council at its meeting on 12 October 2021. One further oral submission will be heard during public participation at this meeting.

Submissions regarding Council representation

43. In total, 30 submissions (59%) indicated that they supported the proposed representation arrangements for Council. 21 submissions (41%) indicated that they opposed the proposal.
44. Reasons given for supporting the proposal included the minimal change from the status quo, and liking the current system because of the local accountability of ward councillors.
45. The most common theme in submissions that supported the proposal was opposition to at-large councillors. Fourteen submissions explicitly opposed the introduction of at-large councillors, although two submissions opposing at-large councillors did not support the proposal.
46. Of the submissions not supporting the proposal the most common theme was dissatisfaction that the proposal was not compliant with the 10% rule as outlined in the Act. Seven submissions explicitly state non-compliance with the 10% rule as the reason for not supporting the proposal.
47. A second theme in submissions not supporting the proposal was support for at-large councillors. There were also several suggestions that supported a larger number of councillors per ward, including suggestions for one Māori ward and one general ward. Five submissions explicitly support at-large councillors and three submissions supported having either wards with more councillors or one general ward covering the whole city.
48. Four submissions supported option 2 in the consultation document (one without an at-large component), and two submissions supported option 3.
49. Submissions were silent on tweaking ward names to remove a backslash.

Responses to submissions

50. The Act requires that Council give public notice of the “reasons for any rejection of submissions”.
51. The Local Government Commission gave guidance that no response was needed to submissions opposing the establishment of a Māori ward as this was outside the scope of the representation review.
52. Proposed reasons for rejection of submission themes are as follows:

Submission Theme	Proposed Response
Council should have some councillors elected at-large.	Feedback received was supportive of having councillors elected solely from wards. The proposal provides for more effective representation than having some councillors elected at-large.
Council should be elected from one general ward and one Māori ward.	Feedback received was supportive of the current ward system. The proposal provides for more effective representation than Council being elected from one general ward.
Council should be elected under option 2 in the consultation document.	Feedback received was supportive of the current ward system and Council being elected under option 2 of the consultation document will not most effectively represent Wellington City because it would split communities of interest between wards.
Council should be elected under option 3 in the consultation document.	Feedback received was supportive of the current ward system and Council being elected under option 3 of the consultation document will not most effectively represent Wellington City because it would split communities of interest between wards.
Council representation should meet the criteria under the Act for fair representation.	Changes to the current ward structure will not most effectively represent Wellington City because it would split communities of interest between wards.
There should not be more councillors for cost reasons.	Councillor remuneration comes from a pool set by the Remuneration Authority. Increasing the number of councillors will not increase remuneration costs to the Council.
It would be undemocratic by allowing one councillor to be elected regardless of the amount of votes he/she receives.	The highest polling candidates in each ward will be elected under the STV voting system.
Council should review the use of the STV voting system.	Council could choose to consider this ahead of the 2025 local elections.
The number of councillors elected from wards should be the same as the number elected at-large.	Council needs to have 12 councillors elected from wards to qualify for a Māori ward. If an equal number of councillors was elected at-large, then there would be 24 councillors’ total. The proposal provides for more effective representation than having 24 councillors.
Paekawakawa Southern Ward should have three councillors.	Increasing the number of councillors in Paekawakawa Southern Ward to three while making no other

	changes would result in a variance of -20.0% for Paekawakawa Southern Ward and +18% for Takapu Northern Ward. This would not be consistent with the requirements for fair representation under the Act.
Wellington does not have well defined communities of interest and should be elected at-large.	Suburbs and collections of nearby suburbs are seen as communities of interest. Feedback received was supportive of having councillors elected solely from wards. The proposal provides for more effective representation than having some councillors elected at-large.
Council should use English only names for the general wards.	The use of dual names with te reo Māori first is consistent with the Council's naming policy.
Council should have a greater number of councillors.	The proposal provides for more effective representation than having a greatly larger number of councillors.
Council should use the Māori electoral population as the base for determining the population per councillor.	To make the population per councillor in general wards the same as in the Māori ward a total of 22 general ward councillors would be needed ($206,800 / 9,400 = 22$). The proposal provides for more effective representation than having 22 councillors. The Act does not require Māori wards to be within a 10% variance from general wards.
Council should adopt a party/ward model similar to parliament.	Currently there is no provision in the Act for this type of system.
Council should have more Māori ward councillors.	The number of Māori ward councillors that Wellington City can have is set by a formula in the Act. Wellington City cannot currently have more than one Māori ward councillor.

Submissions regarding Community Board representation

53. 37 submissions supported the proposal for community board representation. Seven submissions opposed the proposal, and seven submissions were silent.
54. Four of the submissions opposing the proposal for community board representation gave no further explanation of their position.
55. One specific request was received, from the Johnsonville Community Association, for a Johnsonville Community Board. The Johnsonville Community Association indicated that they supported the proposal for community boards.
56. Submissions were supportive of adding the appropriate macrons to the name of Mākara/Ōhariū Community Board.
57. Proposed reasons for rejection of submissions relating to community boards are as follows:

Submitter	Submission	Proposed Response
Matthew Plumber	We should abolish community boards as they are a waste of money.	Our existing community boards have an important role in effectively representing the areas they represent.

Brent B	There does not need to be any further councillors. During these hard times the council needs to rein in spending and rates rises as they are not sustainable. Incomes are not rising anywhere near the cost of living is rising but rate payers are treated like a neverending source of money.	Our existing community boards have an important role in effectively representing the areas they represent. The remuneration for community boards is determined by the Remuneration Authority.
Michael de Stacpoole	The current proposal is very uneven in that some communities have boards while most do not.	At this stage, Council does not see a strong justification for the establishment of new community boards.
Johnsonville Community Association	Because Community Boards provide those areas lucky enough to have one an extra avenue for WCC community engagement. The JCA also requests that the WCC support a Community Board for Johnsonville as we have been working towards this over the past three years.	At this stage, Council does not see a strong justification for the establishment of new community boards.

Appeals, Objections, and Referrals

58. Following public notice of the final proposal, members of the public have the right to appeal or object to the final proposal. Any appeal or objection received by Council must be forwarded to the Local Government Commission.
59. An appeal can be made by anybody who submitted on the initial proposal about matters relating to their original submission.
60. An objection can be made if the final proposal differs from the initial proposal.
61. Additionally, if any wards do not comply with the 10% rule, then the Council must refer its final proposal to the Commission.
62. If Council agrees to the recommended option of keeping its initial proposal, then the final proposal will be referred to the Local Government Commission as some wards do not comply with the 10% rule.
63. If there is an appeal, objection, or referral, then the Commission must consider that appeal, objection, or referral and determine the representation arrangements for Council.
64. Determinations by the Commission may be appealed to the High Court on a point of law, or judicially reviewed.

Kōwhiringa

Options

65. *Recommended option:* Agree to keep Council's initial proposal for representation arrangements in Wellington City as the Council's final proposal.
66. Agree to alter the initial proposal as a result of community feedback for the final proposal. Amendments in a final proposal should be made in response to submissions, or the initial proposal needs to be retained. Otherwise, the community has not had an

opportunity to give feedback on all aspects of the proposal, and community members may have grounds to submit appeals and/or objections.

Whai whakaaro ki ngā whakataunga

Considerations for decision-making

Alignment with Council's strategies and policies

67. The use of dual te reo Māori and English names for wards with the te reo name first is consistent with the Wellington City Council Naming Policy Te Māpihi Maurea.

Engagement and Consultation

68. The Local Electoral Act 2001 contains specifications for the consultation process to be followed for a representation review. The consultation process followed was consistent with the requirements of the Act, submissions were open for one month and the final proposal is being decided within six weeks of submissions closing.

Implications for Māori

69. The Council's resolution establishing Māori Wards under the now amended Local Electoral Act 2001 further enables Māori participation in local elections, and is therefore considered to be consistent with, and further implement, the Tiriti partnership.

Financial implications

70. The representation review is expected to cost approximately \$45,000. Funding for the representation review will be met from existing operational budgets.

Legal considerations

71. The Local Electoral Act 2001 governs the representation review process. The process followed is consistent with the requirements of the Act.

Risks and mitigations

72. Should Council agree to the recommended option of retaining its initial proposal, the proposal must be referred to the Local Government Commission for a final decision. The Local Government Commission could choose not to uphold the Council's final proposal for representation arrangements and make changes to Wellington's representation system.

Disability and accessibility impact

73. Feedback was sought from the Accessibility Advisory Group who inquired about the possibility of dedicated representation for disabled persons. Currently this is not a possibility under the Act.

Climate Change impact and considerations

74. There are no specific climate change impacts or considerations arising from this report.

Communications Plan

75. Public notice of Council's final proposal will be given, and a media release will be prepared.

Health and Safety Impact considered

76. There are no specific health and safety impacts arising from this report.

Ngā mahinga e whai ake nei

Next actions

77. Public notice of Council's final proposal and the right to appeal/object will be given. Depending on the option Council chooses, the proposal will be referred to the Local Government Commission, along with any appeals or objections received.
78. If the proposal is referred to the Local Government Commission, then the Commission must make a determination by 11 April 2022.

Attachments

Nil

ACTIONS TRACKING

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides an update on the past actions agreed by the Ordinary Council Meeting at its previous meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

Relevant Previous decisions

Not applicable.

Financial considerations

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

Risk

- Low Medium High Extreme

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

1. Receive the information.

Whakarāpopoto

Executive Summary

2. This report lists the dates of previous committee meetings and the items discussed at those meetings.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
 - No action required: Usually for clauses to receive information or note information, or actions for committee members rather than council officers.
 - In progress: Resolutions with this status are currently being implemented.
 - Complete: Clauses which have been completed.
4. All actions will be included in the subsequent monthly updates, but completed actions and those that require no action will only appear once.

Takenga mai

Background

5. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review (the Review Report) were endorsed and agreed to be implemented.
6. The Review Report recommended an increased focus on monitoring the implementation of Council resolutions and delivery of the work programme. As part of the implementation of this recommendation, each committee will be provided with an update on its previous decisions at every meeting.
7. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

Kōrerorero

Discussion

8. Of the 50 resolutions of Te Kaunihera o Pōneke | Council in September 2021 and 12 October 2021:
 - 22 require no action from staff
 - 8 are in progress.
 - 20 are complete.
9. 20 in progress actions were carried forward from the last action tracking report. Of these:
 - 18 are still in progress.
10. Further detail is provided in Attachment One.

Attachments

Attachment 1. Action Tracking [↓](#) 

Page 49

Date	Meeting	Item	Clause	Status
Wednesday, 30 June 2021	Te Kaunihera o Pōneke Council	2.5 Implementation of Parking Charges	6. Request officers to provide quarterly monitoring performance reports on the capacity levels of paid on-street parking.	In progress
Wednesday, 30 June 2021	Te Kaunihera o Pōneke Council	2.5 Implementation of Parking Charges	7. Request officers to investigate off-street parking opportunities with both council and privately run public parking buildings for evening and weekend parking throughout the year.	In progress
Wednesday, 30 June 2021	Te Kaunihera o Pōneke Council	3.1.1 Report of the Pūroro Rangaranga Social, Cultural and Economic Committee Meeting of 22 June 2021 Reporting Back on Public Consultation of a New Lease and New Licence On Wellington Town Belt: Squash New Zealand Inc And Tanera Garden Inc	1. Agree to grant a new lease under the Wellington Town Belt Act 2016 to Squash NZ for a five-year term with a renewal term of ten years. The land is part of Wellington Town Belt and is legally described as Lot 1 DP 10086 WN19A/369.	In progress
Wednesday, 30 June 2021	Te Kaunihera o Pōneke Council	3.2 Report of the Pūroro Waihanga Infrastructure Committee Meeting of 23 June 2021 Transfer of Land (Segregation Strips) Adjoining 60-72 Murphy Street From NZTA to Council	2. Agree to acquire approximately 21m ² of land adjoining 60 -72 Murphy Street, Thorndon being sections 1 to 6 and section 14 SO 461178 on ROT 828494 (<i>the Land</i>) for \$1 (if demanded), pursuant to section 50 of the Public Works Act 1981.	In progress
Thursday, 12 August 2021	Te Kaunihera o Pōneke Council	2.1 Asset Acquisition	All clauses	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2.1 Aho Tini 2030 Arts, Culture & Creativity Strategy and Action Plan	6. Agree that officers report back to Council with an update on the timeline and programme for major Council controlled venues reopening including any future planned maintenance and upgrade proposals.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2.1 Aho Tini 2030 Arts, Culture & Creativity Strategy and Action Plan	7. Agree officers to report back to Committee by March 2022 on how better access to Council venues and community facilities can be achieved for the local arts and creative community groups and audiences. The review should include whether the venues and community facilities subsidies are equitable across the city and are the most appropriate mechanism of support and whether other models could better support the local community, arts and creative sectors; and local audiences.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2.1 Aho Tini 2030 Arts, Culture & Creativity Strategy and Action Plan	12. Agree that officers include in the review to be reported back in March 2022 information on how the \$40m LTP capex funding for venues upgrades will be prioritised, including any further opportunities where Council can partner with other entities so that Wellington can continue to achieve its Aho Tini aspirations and noting the need for middle-size venues in Wellington	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2.2. Annual Dog Control Report 2020-21	4. Agree that officers report back through the Animal Bylaw/Dog Policy process later this year on metrics for the objectives set out in the Annual Dog Report.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2.2. Annual Dog Control Report 2020-21	5. Request officers working on Dog Policy meet with Capital Kiwi to better understand the release of Kiwi this year in Wellington, in order to strategically utilise Animal Control resource.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2.2. Annual Dog Control Report 2020-21	6. Request officers bring back options for better resourcing of Animal Control in order to help protect our wildlife. Resourcing could include partnership opportunities, shared resourcing and fee reallocation and/or increase, as well as investigating the provision of off-leash dog facilities.	In progress

Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2. 5 Representation Review Initial Proposal	6. Agree to consult on the initial proposal from 4 September 2021 to 4 October 2021.	Complete
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2. 5 Representation Review Initial Proposal	7. Agree to hold an additional meeting of on 12 October 2021 for the purpose of oral hearings on the initial proposal.	complete
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	2. 6 Strategy and Policy Work Programme	3. Note that once agreed, the programme will be included in the relevant Committee Forward Programmes.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	3.2.1Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 11 August 2021 PROPOSED ROAD STOPPING - LAND ADJOINING 40 STANLEY STREET, BERHAMPORE	2. Agree to dispose of the Land.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	3.2.2Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 11 August 2021 PROPOSED ROAD STOPPING - GOVERNOR ROAD, LAND ADJOINING 24 NORTHLAND ROAD, NORTHLAND	2. Agree to dispose of the Land.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	3.2.3Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 11 August 2021 PROPOSED ROAD STOPPING - LAND ADJOINING 9 DALLAS COURT, MIRAMAR	2. Agree to dispose of the Land.	In progress
Thursday, 26 August 2021	Te Kaunihera o Pōneke Council	4.2 Land Acquisition	All clauses	In progress
Wednesday, 8 September 2021	Te Kaunihera o Pōneke Council	2.1 Land Acquisition Proposal	All clauses	In progress
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	1. Receive the information	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	2. Note the advice on the accuracy of the information provided to Council in June and July 2021 is broadly consistent with officers' view, with the exception on detailed calculations around debt which are the ongoing subject of discussion with the Department of Internal Affairs (DIA).	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	2A. Welcome the introduction of Taumata Arowai and the proposed economic water regulator.	No action required

Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	<p>3. Note the recommendations of the Mayoral Taskforce: Three Waters were accepted unanimously by the Council and in regard to the Water Reforms that the Council:</p> <ul style="list-style-type: none"> • Commit to the concept of a publicly owned, not for profit, water management and asset owning entity that is governed and operates in accordance with a statement of intent from shareholding Councils (recommendation 30); • Actively participate in the Government’s national Water Reform agenda, to ensure that it delivers the principles and goals agreed by the Taskforce (recommendation 31); • Work with other Councils to develop a plan to transfer three waters debt and assets ownership off Councils’ [balance sheet] at the 2023/24 LTP, to either WWL or a new entity formed through the Government reforms (recommendation 33); • Ensure the entity has the ability to borrow against its assets, thereby smoothing water infrastructure investment over time (recommendation 34); • Engage Iwi, key stakeholders, and the wider community around the Government’s reform proposals to develop governance mechanisms that enable direct democratic input while achieving the economies of scale offered by a large corporate entity (recommendation 41) 	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	<p>4. Note that the Government proposals are high level and partly align with many recommendations of the Mayoral Taskforce but not all, and in some cases barriers arise to the delivery of the principles and goals recommended by the Taskforce and accepted by the Council. In particular:</p> <ul style="list-style-type: none"> • The MTF envisages the Entity being governed and operated in accordance with a statement of intent from shareholding Councils (recommendation 30); • The importance of local community participation (recommendations 40 to 42) is not fully explained and this issue is significant for many Councils and more detail from the Government is needed on how the local voice will be heard; • Several areas that are bespoke to the Wellington City context, and dependent on a strong local voice, were identified for priority treatment and it is unclear how they will be prioritised by a multi-regional entity (e.g recommendations 20 to 23 (wastewater), 24 to 27 (resilience), 44 to 47 (performance and transparency); • Storm water management is inextricably linked to city planning and design (recommendations 5 to 14) and how they might integrate under the Government’s proposal is not explained. 	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	4A. Note that the Government intends to make further decisions about the three waters service delivery model after 30 September 2021.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	5. Note that, in line with recommendation 41, the Council will, where practicable, engage Iwi, key stakeholders, and the wider community around the Government’s reform proposals once Council has further information from the Government on the next steps in the reform process.	In progress

Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	<p>6. Request the Mayor, with support from the Chief Executive Officer (CEO), to continue to work in collaboration with the entity 'C' representatives and Government to achieve the best outcome for the City in line with the MTF recommendations, and to seek guidance and give feedback on the following areas:</p> <ul style="list-style-type: none"> • Clarification of the decision-making process and pathway beyond 1st October, including ongoing sector engagement in the design and establishment of the Water Services Entity (WSE) and consultation with the public and Iwi / Māori. • A review of the governance structure, working with Councils and Iwi / Māori to develop a model that allows for strong local representation based around sub-WSE cluster areas, and with citizens at the centre of the model rather than on the periphery. • WSE planning and investment prioritisation processes need to be aligned with the community needs at a sub-WSE area. • The scope of the stormwater role that the WSEs will play, both in relation to growth and development planning, development control, asset management and maintenance particularly of green and water sensitive assets. • Clarification of the opportunities for local influence and planning integration, including: <ul style="list-style-type: none"> o Prioritisation of investment based on sub-WSE areas. o The statutory purpose or objectives of the WSE giving greater recognition to local outcomes and wellbeing. o Alignment of the WSE planning processes with local spatial planning. o Integration of the first three years of LTP investment planning into WSE investment plans. o The process to manage disputes, including potential broader role of the 	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	6A. Note the Chair of the Infrastructure Committee, after discussion with other Council representatives in Entity 'C', has developed an alternative proposal for discussion that attempts to address gaps between the Government's proposals and the MTF recommendations.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	6B. Direct the Mayor to communicate the Council's recommendations, along with the alternative proposal developed by the Chair of Infrastructure, as the Wellington City Council's official feedback to the Three Waters Reform programme by 30 September 2021.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	6C. Request the Mayor to sign the joint letter being sent to the Minister from most Councils within the proposed Entity 'C' area.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	7. Note that the CEO will report back once further information and guidance has been received from Government on what the next steps look like and how these should be managed.	In progress
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	9. Agree that significant efficiency gains could be achieved from the economies of scale delivered by a multi-regional WSE resulting in significantly lower future costs for households.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	10. Agree to support the establishment of an economic regulator for water and the role of consumer groups to hold the WSE to account on service provision and pricing, and support the investigation of a water ombudsman in addition to these consumer protection arrangements.	Complete

Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	13. Note that the current “no worse off” funding does not fully offset the effect of the reform on WCC’s balance sheet and borrowing capacity.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	14. Request that DIA explore: <ul style="list-style-type: none"> • Including a commitment to climate action, circular economy and water sensitive design goals in the statutory service delivery arrangements for WSEs • Providing more opportunities for greater local voice in the processes of the WSE while preserving the separation needed to enable greater borrowing. • Limiting the role of the Regional Representative Group solely to appointing the Independent Entity Board and developing an alternative process for issuing the strategic and performance expectations and the statement of intent for the WSE that would enable greater local voice, perhaps through local catchment management groups, consumer groups, and hapu. • Developing a process for the WSE to influence TA planning documents and for TAs to influence WSE investment plans. • The need for a National Policy Statement or similar national level planning guidance on water sensitive land use decisions to ensure that TAs cannot externalise the water infrastructure costs of land use planning decisions to the WSEs where lower cost land use options are available. 	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	15. Note statements from Ngati Toa Rangatira and Taranaki Whanui o te Upoko during the Mayoral Taskforce that “as mana whenua, we are left in no doubt that the political nature of local politics and local politicians has had an important part to play in the poor infrastructure decision making over many decades.”	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	16. Agree to support the statutory recognition of Te Tiriti o Waitangi and Te Mana o Te Wai in service delivery agreements for the new WSEs, support co-governance of the WSE with mana whenua, and support the role of iwi and hapu to provide statements of Te Mana o te Wai within their rohe to the WSE.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	17. Note the Council will seek an understanding of the community’s views, prior to the Council making a decision as to whether to opt out of the reform. This will occur once the Council has further information from the Government on the next steps in the reform process, including consultation opportunities, and once additional information requested by Council has been received.	In progress
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.1 Government Reform: Three Waters	18. Inform the government that, unless legislative reform occurs in relation to Council’s consultation obligations, this Council will adhere to our Significance and Engagement Policy to consult with our community prior to any decision that proposes transferring the assets and responsibility of our three waters infrastructure. If legislative reform occurs in relation to our consultation obligations, Council will consult with the community in accordance with the legislative obligations.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.2 Waka Kotahi Revenue Update	1. Receive the information	No action required

Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.2 Waka Kotahi Revenue Update	2. Agree to fully debt fund to the full level as per the LTP for the following: b. LED upgrade d. Safe route to schools e. walking improvements f. bike network improvements (transformational programme) bike network minor issues improvements g. Build Back Better	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.5 Support Response to Covid Alert Level 3 & 4	1. Receive the information	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.5 Support Response to Covid Alert Level 3 & 4	2. Note that the recent Covid-19 Alert level 3 and 4 restrictions have had a material impact on some businesses (that rent or lease property from Council) and Council has received a number of requests for financial support	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.5 Support Response to Covid Alert Level 3 & 4	3. Note that these restrictions have also had a material impact on Council's Finances and the forecast direct operating Financial impact to Council of \$7.1m was presented to the Finance and Performance Committee on the 16th August 2021	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.5 Support Response to Covid Alert Level 3 & 4	4. Note that no expenditure, or revenue loss, or financial support for 3rd parties has been budgeted for the recent Covid restrictions in the 2021/22 budget.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.5 Support Response to Covid Alert Level 3 & 4	5. Note that the unspent \$2m of the \$5m 2020/21 CCO support package, was re-budgeted for 2021/22 in the Long-term Plan, in case it is required as a result of on-going impacts.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.5 Support Response to Covid Alert Level 3 & 4	8. Note that no requests for supporting CCOs have been received, however there is some financial risk to some CCOs that may need to be addressed if or when it eventuates	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.4 Te Ngakau Civic Precinct Framework	1. Receive the information	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.4 Te Ngakau Civic Precinct Framework	2. Agree to adopt the Te Ngākau Civic Precinct Framework as per Attachment 1.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.4 Te Ngakau Civic Precinct Framework	3. Agree that officers will reflect the outcome of any decision on the Michael Fowler Centre carpark proposal before Council on 30 September 2021 in the final Te Ngākau Civic Precinct Framework.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.6 Michael Fowler Centre Carpark Long Term Ground Lease	1. Receive the information	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.6 Michael Fowler Centre Carpark Long Term Ground Lease	2. Agree to enter into a development agreement and a 175-year registered and pre-paid ground lease over part of the MFC Carpark site, with Willis Bond, noting that the principal terms and conditions proposed are summarised in a separate public excluded Attachment 1a.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.6 Michael Fowler Centre Carpark Long Term Ground Lease	3. Agree to delegate to the Chief Executive to conclude negotiations and agree terms which, when viewed as a whole, are no less favourable to Council than those detailed in Attachment 1a.	In progress
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.6 Michael Fowler Centre Carpark Long Term Ground Lease	4. Note that the resource consent will lapse for the temporary building located on the MFC Carpark once the RNZB return to the St James Theatre and it will need to be removed which is the responsibility of Council. The site will revert to its previous use as a carpark until it is developed.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.7 Forward Programme	1. Receive the information.	No action required
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	2.8 Action Tracking	1. Receive the information.	No action required

Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.1.1 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING - KNIGGES AVENUE, TE ARO	1. Declare that the approximately 204m2 (subject to survey) of formed legal road land in Knigges Avenue (the Land), adjoining 2 Knigges Avenue (being Lot 3 DP 40129 and held on ROT WN11C/1357), is not required for a public work and is surplus to Council's operational requirements.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.1.1 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING - KNIGGES AVENUE, TE ARO	2. Agree to dispose of the Land.	In progress
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.1.1 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING - KNIGGES AVENUE, TE ARO	3. Delegate to the Chief Executive Officer the power to conclude all matters in relation to the road stopping and disposal of the Land, including all legislative matters, issuing relevant public notices, declaring the road stopped, negotiating the terms of the sale or exchange, imposing any reasonable covenants, and anything else necessary.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.1.2 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING – LAND ADJOINING 20 AMRITSAR STREET, KHANDALLAH	1. Declare the approximately 60m2 (subject to survey) of unformed legal road land in Amritsar Street (the Land), adjoining 20 Amritsar Street (being Lot 1 DP 12004 held on ROT WN484/223), is not required for a public work and is surplus to Council's operational requirements.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.1.2 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING – LAND ADJOINING 20 AMRITSAR STREET, KHANDALLAH	2. Agree to dispose of the Land.	In progress
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.1.2 Report of the Pūroro Hātepe Regulatory Processes Committee Meeting of 8 September 2021 PROPOSED ROAD STOPPING – LAND ADJOINING 20 AMRITSAR STREET, KHANDALLAH	3. Delegate to the Chief Executive Officer the power to conclude all matters in relations to the road stopping and disposal of the Land, including all legislative matters, issuing relevant public notices, declaring the road stopped, negotiating the terms of the sale or exchange, imposing any reasonable covenants, and anything else necessary.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 16 September 2021 2020/21 CAPITAL CARRY-FORWARD APPROVAL	1. Agree a capital carry-forward from 2020/21 into future years of \$94.1m.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 16 September 2021 2020/21 CAPITAL CARRY-FORWARD APPROVAL	2. Agree to reinstate \$1.7m of Parking Asset renewals budget that was part of the Long-term Plan (LTP) until the final version was prepared.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	3.2 Report of the Pūroro Tahua Finance and Performance Committee Meeting of 16 September 2021 2020/21 CAPITAL CARRY-FORWARD APPROVAL	3. Agree to increase the whole-of-life project budget for the Town Hall by \$12.3m through use of the previously resolved Town Hall contingency.	Complete
Thursday, 30 September 2021	Te Kaunihera o Pōneke Council	4.1 Mākara Cemetery - potential land acquisition	all clauses	In progress

Thursday, 30 September 2021
Thursday, 30 September 2021

Te Kaunihera o Pōneke | Council
Te Kaunihera o Pōneke | Council

4.2 Appointments to Council Controlled Organisations
2.1 Representation Review Oral Hearings

all clauses
1. Receive the information and thank the submitters.

Complete
No action required

FORWARD PROGRAMME

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides the Forward Programme for Te Kaunihera o Pōneke | Council for the next two months.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

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

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

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

Relevant Previous decisions

Not applicable.

Financial considerations

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

Risk

- Low Medium High Extreme

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

1. Receive the information.

Whakarāpopoto

Executive Summary

2. The Forward Programme sets out the reports planned for Te Kaunihera o Pōneke | Council meetings in the next two months that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

Kōrerorero

Discussion

4. Thursday 25 November 2021:
 - Advisory Group Annual Reports and Workplans (Chief Strategy and Governance Officer)
 - Appointment of Mana Whenua Representative (Chief Strategy and Governance Officer)
5. Wednesday 15 December 2021
 - Recommendation of Grants Subcommittee: Built Heritage Incentive Fund Criteria (Chief Planning Officer)
 - Mana Whenua Overarching Partnership Agreement (Chief Māori nOfficer)

Attachments

Nil

3. Committee Reports

REPORT OF THE PŪRORO HĀTEPE | REGULATORY PROCESSES COMMITTEE MEETING OF 13 OCTOBER 2021

Members: Mayor Foster (absent – apologies accepted), Deputy Mayor Free (absent – apologies accepted), Councillor Condie (absent – apologies accepted), Liz Kelly, Councillor Matthews, Councillor O'Neill, Councillor Woolf (Deputy Chair).

The Committee recommends:

PROPOSED ROAD STOPPING - LAND ADJOINING 40 AVON STREET, ISLAND BAY

Recommendation/s

That Te Kaunihera o Pōneke | Council:

- 1) Declare the approximately 315m² (subject to survey) of unformed legal road land in Avon Street (the Land), adjoining 40 Avon Street (Lot 1 DP 14461, held on ROT WN20D/17), is not required for a public work and is surplus to Council's operational requirements.
- 2) Agree to dispose of the Land.
- 3) Delegate to the Chief Executive Officer the power to conclude all matters in relations to the road stopping and disposal of the Land, including all legislative matters, issuing relevant public notices, declaring the road stopped, negotiating the terms of the sale or exchange, imposing any reasonable covenants, and anything else necessary.

Website link to the Pūroro Hātepe | Regulatory Processes Committee meeting agenda and minutes: <https://wellington.govt.nz/your-council/meetings/committees/regulatory-processes/2021/10/13>

Attachments

Nil

REPORT OF THE PŪRORO WAIHANGA | INFRASTRUCTURE COMMITTEE MEETING OF 14 OCTOBER 2021

Members: Mayor Foster, Deputy Mayor Free, Councillor Calvert, Councillor Condie (Deputy Chair), Councillor Day, Councillor Fitzsimons, Councillor Foon, Liz Kelly, Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Rush (Chair), Councillor Woolf, Councillor Young.

The Committee recommends:

WASTEWATER LATERALS POLICY (2021)

Recommendation/s

That Te Kaunihera o Pōneke | Council :

1. Declare, pursuant to the Local Government Act 1974 section 462 and the Long-term Plan 2021-31, that the portion of wastewater laterals in the road, between a property boundary and a wastewater main, as specified in the proposed Wellington City Council Wastewater Laterals Policy (2021), are public drains owned by the Council.

Website link to the Pūroro Waihanga | Infrastructure Committee meeting agenda and minutes: <https://wellington.govt.nz/your-council/meetings/committees/infrastructure-committee/2021/10/14>

Attachments

Nil

REPORT OF THE PŪRORO TAHUA | FINANCE AND PERFORMANCE COMMITTEE MEETING OF 21 OCTOBER 2021

Members: Mayor Foster, Deputy Mayor Free, Councillor Calvert (Chair), Councillor Condie, Councillor Day, Councillor Fitzsimons, Councillor Foon (Deputy Chair), Liz Kelly (absent at time of voting), Councillor Matthews, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Rush, Councillor Woolf, Councillor Young.

The Committee recommends:

DRAFT 2020/21 ANNUAL REPORT AND AUDIT PROCESS

Recommendation/s





That Te Kaunihera o Pōneke | Council:

1. Confirm the Accounting Policies contained in the draft financial statements (Attachment 2, Public Excluded) for adoption for the financial statements for the year ended 30 June 2021.
2. 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 2021, subject to the resolution of any matters identified during the meeting and receiving final audit clearance from Audit New Zealand.
3. Adopt the Annual Report for Wellington City Council and Group for the year ended 30 June 2021 (Attachment 1 and 2, Public Excluded).

Note: The Annual Report attached is draft, subject to the completion of the Audit. This will be completed ahead of the Council meeting and any changes tabled on the day.

Website link to the Pūroro Tahua | Finance and Performance Committee meeting agenda and minutes: <https://wellington.govt.nz/your-council/meetings/committees/finance-and-performance-committee/2021/10/21>

Attachments

Attachment 1.	Draft Annual Report Volume 1 - Overview and SSPs  	Page 64
Attachment 2.	Draft Annual Report Volume 2 - Financial Statements  	Page 234

Te Pūrongo ā-Tau 2020/21 Annual Report 2020/21

Volume 1

Draft - subject to Audit

Nau mai – Welcome

Nau mai ki tā mātou tirohanga rāpopoto o te tau 2020/21. Welcome to our snapshot of the 2020/21 year.

We have experienced many exciting, turbulent and triumphant times in Wellington City Council's 150 years. The 2020/21 year was yet another unprecedented challenge to add to this history. Through it all the Council continues to adjust, adapt and evolve, working together for the same goal – an inclusive, sustainable and creative capital for people to live, work and play.

The theme for this year's report is *manaakitanga* – we rise by lifting others. We strive to put people at the heart of what we do, and to respect the many different people, groups and cultures who make up our city. Whether fronting up to challenges or celebrating who we are and what has been achieved, we continue to persevere and show resilience. Together we're working towards a version of Wellington we can all enjoy.

The Annual Report 2020/21 was adopted by the Council on 28 October 2021, and received an unmodified opinion on the audited information, excluding the statement of service provision.

A qualified opinion was received on the statement of service provision in respect to two performance measures. For more information refer to: maintenance of the reticulation network – water supply (pg X); and total number of complaints received (pg X, X and X).

Copies of the full Annual Report 2020/21 and the summary are available to view at Council offices, libraries, or at wellington.govt.nz.

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.

We acknowledge these tribes as 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.

Ihirangi | Contents

Nau mai – Welcome	2
Section 1: Summary of our year	4
Mayor – Creating the future we want	5
Chief executive – Working for the next 150 years	6
Our city	7
Our strategic direction in 2020/21	9
Summary of our performance	11
Overview of our performance	12
Overview of our finances	16
Key projects and programmes	24
Section 2: Our performance in detail	26
How to read this section	26
1 Pārongo ā-tāone – Governance	27
2 Te Taiao me te Hanganga – Environment & infrastructure	35
3 Whanaketanga ōhanga – Economic development	49
4 Oranga ahurea – Cultural wellbeing	58
5 Kaupapa pāpori me ngā mahi a rēhia – Social and recreation	67
6 Tāone tupu ora – Urban development	81
7 Waka – Transport	92
8 Our performance in detail	102
Detailed Outcome Indicators	103
Detailed Key Performance Indicators	116
Section 3: Our leadership and our people	139
Te Kaunihera o Pōneke Our Council	140
Our organisation	149
Our staff	160

Wellington City Council is a public benefit entity for financial reporting purposes. The financial statements within the Annual Report were prepared in accordance with and comply with New Zealand Generally Accepted Accounting Principles (GAAP) and comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity. The financial statements are denominated in New Zealand dollars.

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, an overview of our core business, and summaries of our performance this year.

Draft - subject to Audit

Mayor – Creating the future we want

Our 2020/21 Annual Plan, which sets the direction of the year, was prepared at a time of great uncertainty with the arrival of COVID-19. Budgets were reworked, engagement had to be done mostly through virtual meetings, and we were one of the first Councils in the country to develop a comprehensive COVID-19 Pandemic Response and Recovery plan.

The year that was

We were able to support a great programme of events including sell-out crowds at Downtown Shakedown, the Wellington Phoenix's victorious return home, Van Gogh Digital Nights exhibition and the big street parties of Cuba Dupa and the Newtown Festival. Progress continued on key infrastructure projects including approving and starting construction of the city's biggest water reservoir, Omāroro, and repairs to Ngaio Gorge slip sites. Complex seismic strengthening work at our Town Hall and St James Theatre sites progressed, as did construction of Tākina, our exhibition and convention centre. We also completed community engagement for our Central Library, with detailed design now well advanced.

150 years of Council

This year marked a major milestone for the Council – 150 years since it first met on 28 September 1870. Since then, 36 Mayors and hundreds of Councillors have overseen Wellington grow to a city of more than 210,000 people.

Over that time Council has managed and supported projects, programmes and initiatives that have ensured Wellington is regularly rated as one of the best places in the world to live, with our flourishing natural environment, parks, coastline and attractions like Te Papa, ZEALANDIA, arts, events, festivals, and markets.

Future planning

While celebrating our past, this year has been firmly focused on planning for future growth and resilience. We adopted our 2021-31 Long-term Plan, including our largest capital programme ever, including \$2.4 billion on our three waters infrastructure. We adopted a new Spatial Plan to guide where and how Wellington's housing and infrastructure will grow to accommodate the 50,000 to 80,000 new residents expected in the next 30 years. This will inform our District Plan, which is being delivered during 2021/22.

We also started work to address the financial unsustainability of our 2500-unit social housing portfolio and made initial decisions to get Wellington moving. We launched the Pōneke Promise this year, a partnership to make the central city safer and more attractive for everyone, developed and adopted Aho Tini 2030 – our Arts, Culture & Creativity Strategy and the Strategy for Children and Young People.

Manaakitanga

Ultimately everything is about our people. The theme for this year's report is manaakitanga – we rise by lifting others, strengthening our communities, and helping one another.

In adversity we can and are showing the best of ourselves, and despite all the challenges we continue to focus on creating the future we want – sustainable, creative, inclusive, a city of consequence and strong community.

Andy Foster – Mayor of Wellington

Chief executive – Working for the next 150 years

The 2020/21 year was my first full financial year in the role as Chief executive. My focus was on shaping our city's successful future while building the capacity and capability of the organisation to effectively deliver on an increasingly ambitious work programme. We must plan for the effects of a growing population, respond to climate change, address aging infrastructure, increase the seismic resilience of our built environment, do all we can to help increase the supply of affordable housing, continue to build on Wellington's creative city vibe and work with others to help ensure our economy thrives.

I am proud of how the organisation has quickly responded and adapted in the COVID impacted environment. For the Council, the uncertainty of COVID-19 and the investment needed in our city means we must work differently and seize the opportunities they create.

Long-term Planning

On 30 June 2021, we adopted our 2021-31 Long-term Plan – the result of 18-months of planning, budgeting and engagement with the community. This blueprint for the city's next decade, includes significant investment in our three waters infrastructure, transport network, community and cultural spaces and the implementation of our climate change action plan Te Atakura – First to Zero.

He tangata, he tangata, he tangata

Our partnerships with Mana Whenua, Central Government, other Councils in the region and the community are important. We have collaborated with agencies across the region on the Pōneke Promise (a partnership with key stakeholders working together to enhance city safety), the introduction of mana whenua seats on council committees, the new Māori ward in the next election, and with Waka Kotahi NZTA on the Tahitai cycleway from Miramar to the central city. These projects in particular are about making our city safer and more accessible for its residents.

Finances

When we set our 2020/21 budget, the impacts of the COVID-19 pandemic and how long we would need to focus on city recovery was unclear.

This year we did not receive a dividend from the Wellington Airport, had decreased revenue from our venues, and provided financial support to the Wellington Regional Stadium Trust, Experience Wellington and the Cable Car Ltd, which were affected by the closed borders, uncertain events market, and lack of cruise ship visitors. However, utilisation of facilities and services in Wellington was higher than predicted and a full summer events programme meant we received more revenue in these areas than budgeted.

Performance

This is the final year of reporting against our 2018 Long-term Plan performance framework. We have been consistently high in areas of utilisation and the quality of our services and we are working on how we will improve our residents' satisfaction and perception measures.

Me Hiki Ki Pōneke | Wellington City Council has been around for 150 years, so we have strong foundations to build on as we work together across the city to ensure a successful future for Wellington.

Barbara McKerrow – Chief executive

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 Pākehā, the area has quickly developed into a creative and vibrant city.

Wellington at a glance

Our people ¹	Our City
210,400 Wellington City population	2,110 Sunshine hours in 2020 ²
51.4% Population is under 35	98.9km Length of coastline
14.9% Population over 60	365km Walking and biking tracks
10.1% Population of Māori descent	105 Playgrounds in Wellington ³
33.4% Wellingtonians born overseas	\$151,183 Average household income ⁴

Our Council – celebrating 150 years

On 28 September 1870, the Wellington City Council met for the first time after succeeding the Town Board. Since then, it has had 36 Mayors and hundreds of Councillors. The first Mayor was Joseph Dransfield, who was previously the chair of the Town Board. The 1870s and 1880s were a period of rapid immigration. It was also a time of significant reclamation into the harbour and the construction of Wellington's first reticulated water supply with the completion of the Lower Karori Reservoir.

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

² NIWA Annual Climate Summary 2020

³ WCC figures for Coastline, Tracks and Playgrounds

⁴ Infometrics Wellington City Economic Profile – Living Standard – [Household Income](#)

At that time, Wellington extended from Thorndon Quay to Berhampore. Surrounding boroughs were then later amalgamated with the city: Melrose 1903; Onslow 1919; Karori 1920; Miramar 1921; Johnsonville 1953; and Tawa 1989.

Regulations governing the burial of dead horses in back yards and the tipping of toilet waste onto streets were the hot topics at the Council table in the early days.

As the city grew so did its responsibility for the introduction of fresh drinking water, the sewerage system, social housing, libraries, swimming pools and a host of amenities. Today the Council manages over 400 different services and facilities.

1870s Investment in our first reticulated water supply	1889 Wellington's streets are first lit by electricity	1891 Karori Cemetery is established	1892 The Council builds its first public library
1904 First electric trams start and Town Hall opens	1906 Wellington Zoo opens	1912-1970 The Council issues driver licenses	1915 Municipal Golf Course opens in Berhampore
1918 Council becomes first local authority globally to found a Municipal Milk Department	1921 First female councillor elected – Annie McVicar	1926 Otari-Wilton Bush reserve officially opens	1946 The Council buys the Cable Car
1954 Begonias grown by Council used in Queen Elizabeth's visit	1959 New airport in Rongotai opens 24 October	1963 Freyberg Pool opens	1964 The Beatles play two concerts at the Town Hall
1968 The Milk Department starts selling yoghurt	1969 Cuba Mall opens	1971 First computer bought by the Council – an IBM 360 Model 20 with 4kB memory	1992 Civic Square formally opened
2006 Waitangi Park opens	2008 Housing Upgrade Project commences	2015 Pukeahu National War Memorial Park created	2016 Let's Get Wellington Moving initiated

Our strategic direction in 2020/21

City Vision

Towards 2040: A compact, smart, inclusive and resilient capital, where it is easy to live, work and play safely and sustainably

The four goals below represent how we will work to achieve our vision. We monitor progress through our community outcomes, endeavouring to identify trends for Wellington's long-term future. Of the 149 outcome indicators we monitored in 2020/21, 29 had no data available. The majority were stable or displayed no trend. The commentary below is based on the 13 outcomes that were trending in a desired direction and the 22 that displayed negative trends.

People-centred – a city that is healthy, vibrant, affordable, accessible and resilient, with a strong sense of identity and place

In this area over the past five years:

- 91% rate their quality of life as high, but housing is increasingly unaffordable
- residents' perceptions of safety in the city after dark dropped to 57%
- negative trend in residents who believe they have opportunities to participate in city decision-making
- 82% of residents believe that different lifestyles and cultures makes the city a better/much better place to live.

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

In this area over the past five years:

- fibre broadband uptake is now at 58%
- 82% of residents rate 'the importance of a sense of community' as very good
- Wellington has the highest national figure for residents who say they use public transport – 82%.

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

In this area over the past five years:

- there has been continued growth in solar renewable energy sources, however the city is not reducing its total waste to landfill
- around 72,000 hours worked by volunteers on environmental activities, such as planting natives, pest trapping and cleaning waterways
- Wellington has high quality drinking water, but only two of our five measures for river water quality have acceptable results.

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

In this area over the past five years:

- about 80% of New Zealanders think of Wellington as an attractive destination
- there has been a decline in the number of Wellingtonians who think the city is an easy place to use or enjoy and only 47% perceive it as attractive
- 88% of Wellingtonians frequently engaged in arts & culture.

New Community Outcomes in the 2021-31 Long-term Plan

Our strategic direction is reviewed every three years and refined based on any changes in the city to make sure we remain on track. We completed this review as part of the 2021-31 Long-term Plan that was adopted on 30 June 2021. The new Community Outcomes for the city are based on putting Environmental, Social, Cultural and Economic Wellbeing at the heart of our planning. These can be viewed at wellington.govt.nz/long-term-plan-2021-31

Our role

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

It has resulted in the Council delivering an extensive range of services to Wellington – 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 services we deliver all help to achieve our city's strategic direction, set by the Council.

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.

We actively monitor our performance to ensure that we are making progress on our strategies and statutory obligations to Wellington. In this report, we monitor outcome indicator trends that provide us with information on the city's wellbeing along with our service performance measures. This information helps us understand how the city is changing, how we are going towards achieving our strategic vision (see previous page) and the quality of the services we provide to the community.

Section 2 presents detailed Statements of Service Provision in our seven strategic activity areas, which are guided by our strategic direction. The seven areas highlight the variety of activities and services that we deliver and our performance in those areas.

Summary of our performance

Introduction

During the year, we continued to deliver our services well. The majority of our performance measures are on track and our budget was close to balanced for the year. However, some significant challenges affected how we operated, including COVID-19.

Material issues

To perform effectively and efficiently 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.

The two challenges outlined below had significant impacts on the Council's performance during the year.

COVID-19 in 2020/21

In New Zealand, swift action meant that we were largely protected from many of the negative effects of the pandemic. At the end of 2020/21, we find ourselves in a far better position than many countries. However, the return to the highest levels of restrictions early in the 2021/22 year shows the impact of the pandemic is far from over.

Initial response

In the early days of the pandemic, Council activated and adjusted its pandemic response plan, creating the COVID-19 Pandemic Response and Recovery Plan.

More information on the Council's immediate response to the pandemic is in the 2019/20 Annual Report and the 2020/21 Annual Plan. By the start of the 2020/21 year, Wellington and New Zealand were in Alert Level 1 and adjusting to the new normal of living in a COVID-19 affected world.

Continuing impact

In 2020/21, we have seen a modest recovery from the direct effects of the pandemic. Community cases are rare, GDP has bounced back, and unemployment is low. Most of the impact of the pandemic has come as a result of 57 days spent at Alert Level 2 or in areas that are more reliant on international visitors or workers.

Here's an overview of the COVID-19 impact on the year:

- \$19.6m revenue lost
- \$1.5m increase in grants funding
- \$3.8m from the City Recovery Fund supported 36 initiatives
- a pre-Christmas suite of activities under the Love Local branding offered a pop up shop, discounted parking, free shopper buses and entertainment and activation in the central city
- ongoing work with community organisations to house and support the city's homeless

- provided financial support for the Wellington Regional Stadium Trust, Cable Car Ltd and Experience Wellington
- cancelled fee increases for 2020/21 for all services to encourage interaction with the city facilities and services
- held new events to support the events, hospitality and tourism industries and the vibrancy of the city.

More information on how COVID-19 affected different areas of Council is detailed in Section 2: Our performance in detail, from [pg X](#). The impact on our financial performance is in Volume 2 of the Annual Report, [pg X](#).

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.

A Mayoral Taskforce was formed in March 2020 to inquire into the problems and how we can address them. The Taskforce report was presented to Council in December 2020, and further considered in March 2021, when we formally agreed in principle with the overall direction. More information on the findings of the Taskforce is detailed on [pg X](#).

In 2020/21, the issues in this area remained significant. Through the Annual Plan, we provided Wellington Water Ltd additional funding to focus on investigating our network to learn more about its condition and for leak detection. In the 2021-31 Long-term Plan we have also budgeted for a significant funding increase to prevent any further large-scale network failures, implement the recommendations of the Mayoral Taskforce, and respond to the Government's Three Waters Reforms. More information on the Wellington Water work programme for the year is detailed on [pg X](#).

The failures in the three waters network have impacted the performance in our Environment and Infrastructure activity area, with two areas receiving a qualified Audit Opinion. These are customer complaints and water loss. The measures are detailed in Chapter 8 of Section 2: Our performance in detail. The results and variance explanations for the qualified measures are on [pg X, X and X](#).

Overview of our performance

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.

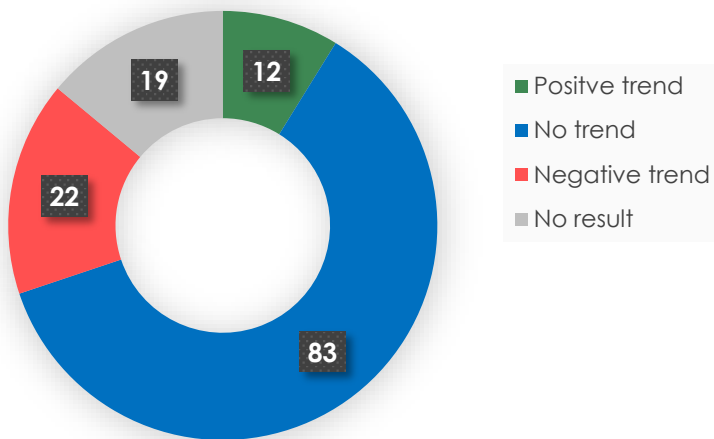
In the 'Our performance in detail' section of this report we outline each activity area, including an overview of the highlights, challenges, performance information and what

the activities cost. This 2020/21 Annual Report is a report against year three of the 2018-2028 Long-term Plan, as outlined in the 2020/21 Annual Plan.

Community outcomes

We track 136 community outcome indicators to measure how the Council and city is tracking on meeting our Towards 2040 vision and goals. Depending on what the indicator is focused on, we look for positive and/or meaningful changes over time. A snapshot of these indicators under each of our strategic goals is on [pg X](#) – Our strategic direction 2020/21.

2020/21 Community Outcomes results

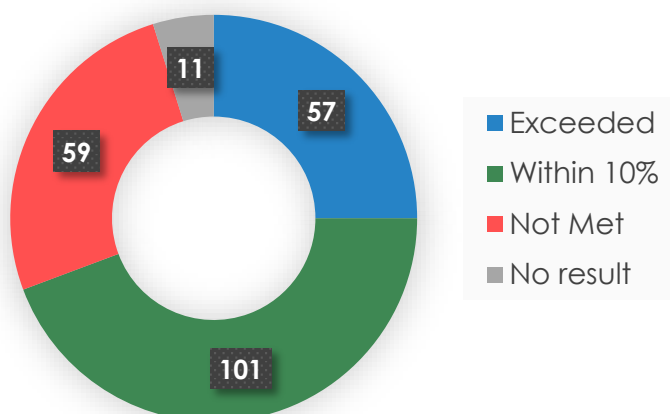


Performance measures (KPIs)

Wellington City Council had 217 KPIs with an available result this year, with 11 others having no result. For those with a result, we indicate whether the measure was **not met** (10%+ below target), **within 10%** (on or within 10% +/- of target), and **exceeded** (10%+ over target).

This year is the final year of performance reporting against the 2018-28 Long-term Plan. Therefore, in this section we are reporting the results for 2020/21 as well as reviewing the trend of our results over the past three years.

2020/21 Key performance indicator results



Our KPIs are displayed in Section 2: Our performance in detail by activity area. To view performance as a whole, we also group our KPIs in five categories: customer satisfaction and perceptions; cost to deliver; quality; timeliness; and utilisation. These categories help the Council assess how efficient and effective Council is at delivering its services.

Over the past three years, our utilisation measures have consistently exceeded targets, meaning people are actively using our services. We have also met or exceeded our targets for the quality of our services. Also, while residents are using our services and highly rating our delivery of them, we have regularly underperformed in residents' satisfaction and perception measures, which is an opportunity for improvement.

KPI categories	Exceeded	Within 10%	Not Met	Total
Satisfaction and perception	2	23	24	49
Cost to deliver	16	12	3	31
Quality	12	35	6	53
Timeliness	2	12	12	26
Utilisation	25	19	14	58
Total	57	101	59	217

<p>24 of 49</p> <p>KPI results from the annual Residents' Monitoring Survey declined or didn't meet targets</p>	<p>43%</p> <p>Utilisation measures exceeded targets, despite the impact of COVID-19</p>
<p>52%</p> <p>Cost to deliver measures exceeded targets. This means more services provided for our residents' money</p>	<p>12 of 26</p> <p>Timeliness measures were not met, and many haven't met targets for the past three years</p>

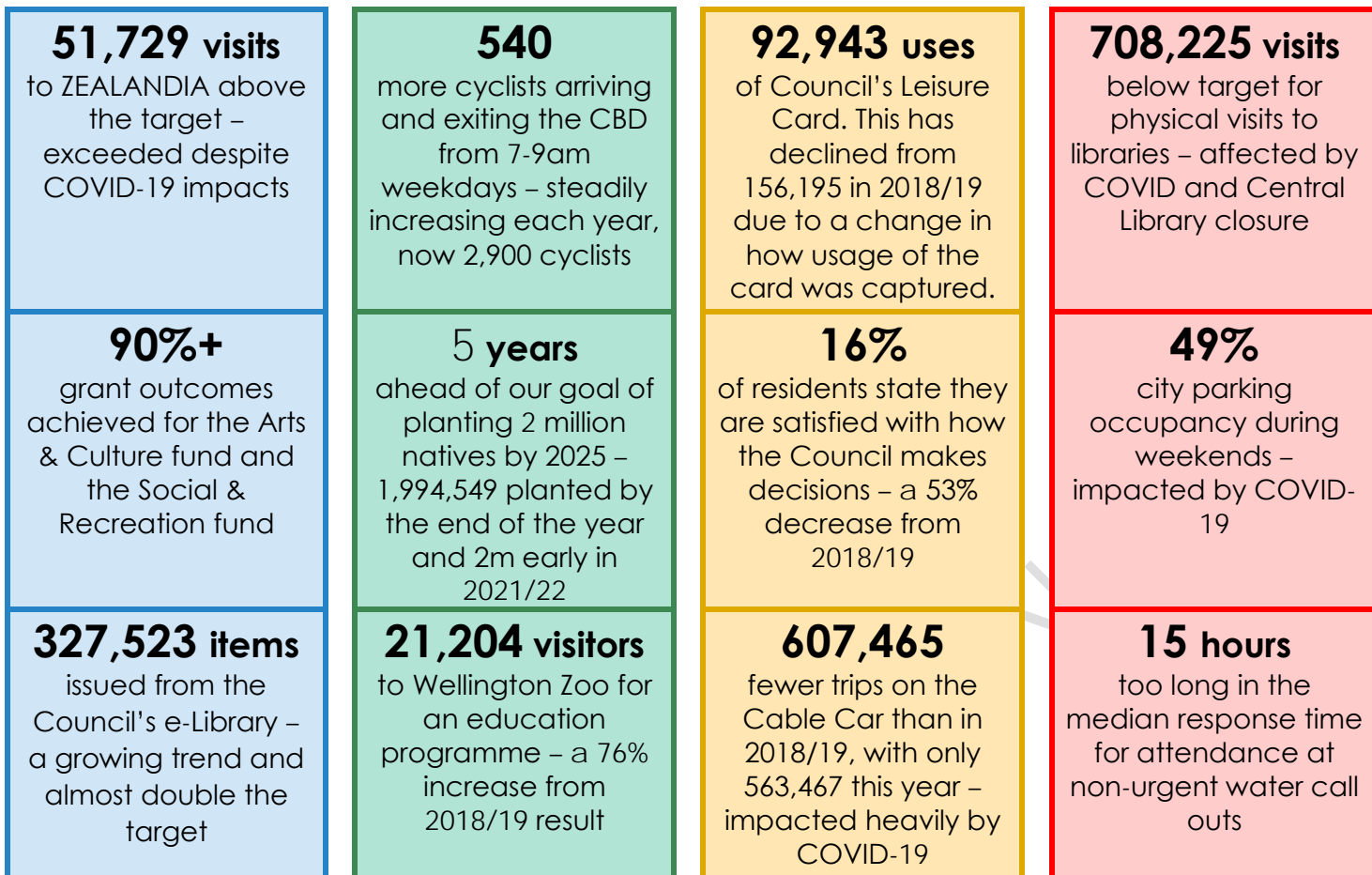
The following is a snapshot of our KPI results from 2020/21 and some of the performance trends across the past three years. These were selected from KPIs that had results for each of the three years of monitoring. Many KPIs were affected by COVID-19 last year so either did not have a result or the result was non-comparable.

97%
above the target of 70% for making meeting and committee agendas available to the public at least 4 days prior to meetings

150%
increase since 2018/19 in users of Berhampore Golf Course – casual use has increased and the new disc golf course is popular

39 days
of events held at Sky Stadium. This has been impacted by COVID-19 and is down from 50 event days in 2018/19

37%
against a target of 70% for residents who agree Council is proactive in informing them about the city



Key:

	KPIs that have met or exceeded targets for 3 years
	KPIs that have improved in the 3 years
	KPIs that have declined in the 3 years
	KPIs that have not met target for 3 years

More information on our 2020/21 performance measure results and outcomes for each activity area are included in Section 2: Our performance in detail on pg **X to X**. That section includes commentary for not met and exceeded variance results.

Overview of our finances

The 2020/21 Annual Plan and budget, which set the direction for the year, was developed and adopted in a time of high uncertainty. We didn't know how long the impacts of the COVID-19 pandemic would last or for how long there would need to be a focus on city recovery. We also didn't know how much more support would be provided by central government.

However, despite the challenges of the year our financial position remains healthy and we achieved a \$7.5m surplus.

\$19.6m Revenue lost due to COVID-19 impacts	\$7.4m Organisational savings target achieved
74% Capital programme completed	AA Credit rating retained

Summary of our operating budget

Financial strategy

This is the third year of our 2018 Long-term Plan, which set out our financial strategy for the period. The purpose of the strategy is to enable prudent and sustainable financial management:

Key aim	Achieved	Comments
Balanced budget	Yes	See Balanced Budget section below.
Prudent financial management	Yes	See Balanced Budget section below.
Affordable rates (as described and set out in the 2018-28 Long-term Plan ⁵)	Yes	During the past three years total rates revenue and rates increases have been below our limits as reported in the Financial Prudence section in Volume 2, pg X .
Net debt within borrowing limits	Yes	During the past three years net debt has been below our borrowing limits as reported in the Financial Prudence section in Volume 2, pg X .
Fund depreciation where borrowings are incurred to build or replace assets	Yes	We continue to fund depreciation on assets that we are responsible for renewing when they reach the end of their useful life.
Timely funding of new infrastructure assets to support city development	Yes	This is measured by the level of capital expenditure on network services as a proportion of depreciation on network services. This is as reported in the Financial Prudence section for "Essential services" benchmark in Volume 2 pg X . Over the past three years we have invested \$136.5m in our three waters network and \$158.2m in our transport network.

⁵ Financial and Infrastructure Strategy, 2018 Long-term Plan, Volume 2, pg 48

Key aim	Achieved	Comments
Sufficient insurance cover for natural disaster risks	Yes	See information on insurance within the Financial Statements in Volume 2, pg X.
Maintain financial capacity to fund priority programmes and natural disaster recover	Yes	We have maintained capacity within our debt-to-income ratio. At the end of 2020/21 this was 137% compared to a limit of 175%. This equates to approximately \$214m of borrowing capacity in 2021. This borrowing capacity is the result of careful financial planning and an underspend of capital projects as explained in the Summary of capital expenditure section, pg X. This underspend of capital expenditure increased funding capacity by 17% against the expected capacity limit.

Our financial strategy is set every three years to address the challenges we are facing and how we plan to address them. However, these are constantly evolving, with one of the biggest challenges in the past two years managing the significant financial impact that COVID-19 continues to have on both the Council and the city.

Balanced budget

The Council operates a balanced budget. This means rates fund only what is required to pay for the services delivered each year. A balanced budget also helps ensure that we are not passing the costs of running the city today onto future generations and guards against imposing costs on Wellingtonians now for projects that may not deliver any benefits to them in the foreseeable future. This means each generation pays its fair share.

Therefore, our goal is to achieve an end-of-year result where rates revenue equals operating expenditure. This is called the underlying result (surplus or deficit) and is best measured as a percentage of total operating expenditure.

4.7% Underlying result for 2020/21	\$568.3m Cost of running the city
\$7.39 Operational cost of Council services per resident per day	\$9.7m More operational spend than previous year

Operating expenditure has increased by \$9.7m or 2 percent year on year. This mainly relates to an increase in depreciation expense following the revaluation of our infrastructure assets last year.

Underlying position

The underlying operating result provides a comparison with the 2020/21 Annual Plan budgeted rates requirement we said was needed to achieve a balanced budget against actual operating performance.

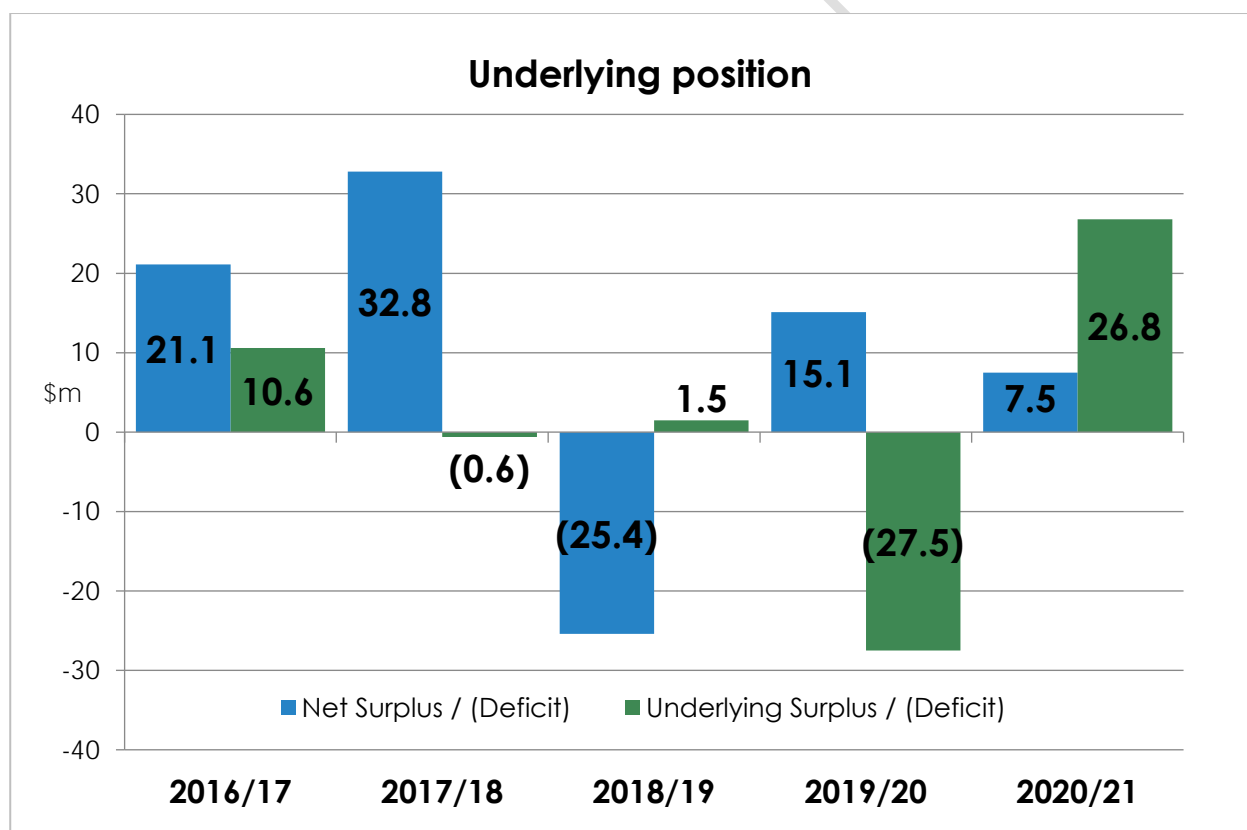
To get from the reported net surplus/(deficit) to the underlying result, the following are excluded:

- revenue received for capital items (for example, funding received from NZTA for roading projects)

- non-funded or debt-funded transactions, where, through the Annual Plan, it was deemed appropriate that the costs were shared across future ratepayers, or where another organisation is liable for the funding
- separately funded items where funding was through other mechanisms
- ring-fenced activities for housing and waste minimisation.

The underlying result for 2020/21 is a surplus of \$26.8m or 4.7 percent of total operating expenditure. Contributing to this surplus are savings from a new operating model for maintaining and hosting IT infrastructure, reductions in venues costs due to the continued impact of COVID-19, and lower costs for street cleaning, road maintenance and road marking. Of this surplus, \$2.9m has been ring-fenced and carried forward into the 2021/22 year.

As part of the 2020/21 Annual Plan and 2021-31 Long-term Plan several items related to the impact COVID-19 were funded through debt, such as the loss of our airport dividend revenue. The rates repayments for this debt are spread over 10 to 15 years to minimise the impact on rates in the short term. In line with the principles of robust and prudent financial management and intergenerational equity in our Financial Strategy, this surplus will be spread over a similar timeframe and used to offset the rates requirement in future Annual Plans.



Underlying result as a percentage of total expenditure

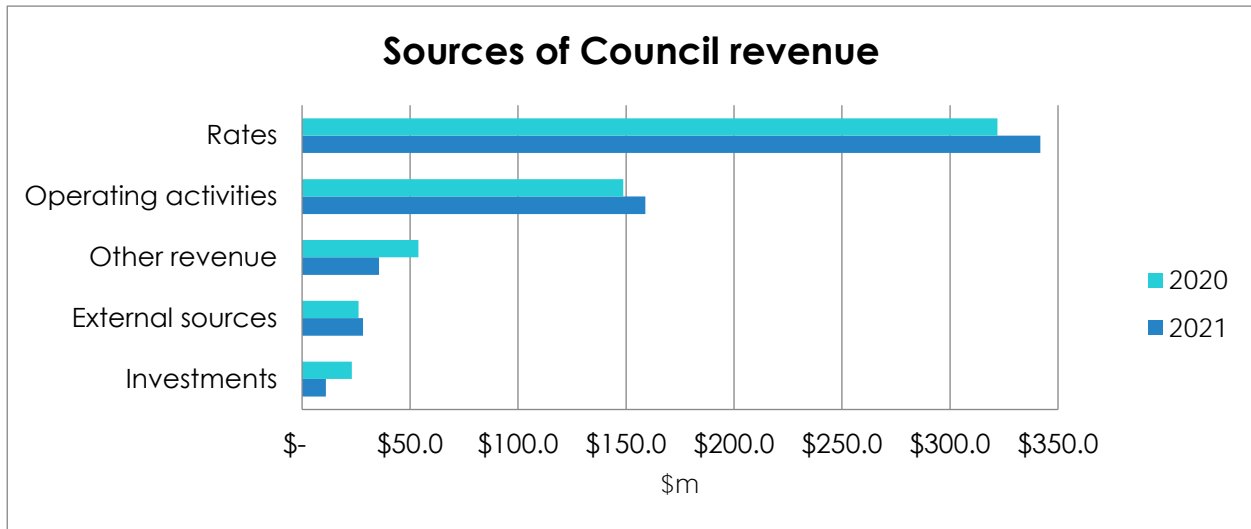
Financial year	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage	2.1%	(0.1%)	0.3%	(5.0%)	4.7%

Revenue

Our main source of funding is from rates – 59 percent of the total revenue of \$575.8m – with the next largest source being revenue from operating activities including user fees at

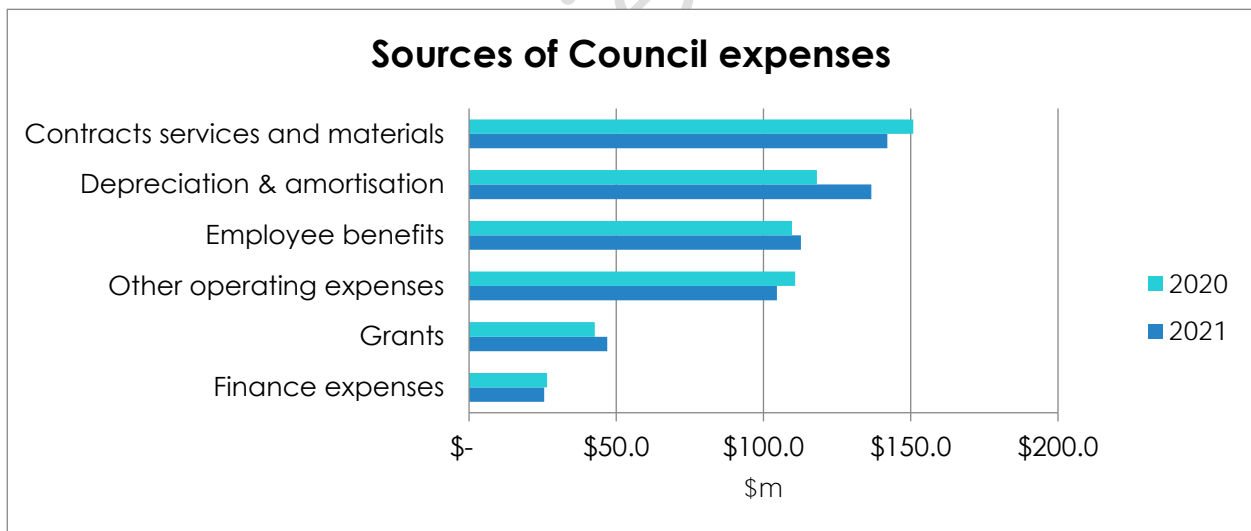
28 percent. We also received revenue from other external sources, mainly central government, to fund capital expenditure, investment revenue and other revenue.

Our revenue for the year was higher than budgeted due to non-cash items such as the recognition of vested asset revenue of \$9.4m and additional fair value gains for investment property which totalled \$20.5m.



Expenditure

The main expenses this year were contracts, services and materials, personnel costs and depreciation. We also have a high level of asset ownership costs such as utilities, insurance and maintenance.



Your rates at work

We collected \$341.9m (GST exclusive) of rates during 2020/21.

Our rates revenue comes from targeted rates and general rates. General rates are paid by all ratepayers and applied to services which benefit the whole community. Targeted rates are paid by a specific group of ratepayers who receive a specific service. Whether you rent, own a home or a business in Wellington you contribute to Council rates either directly or indirectly.

We use all rates to maintain and operate many of the services and facilities we need every day. Some of the services and facilities Wellingtonians received this year through their rates were:

364 litres of drinkable water supplied per resident per day ⁶	104,481 native plants planted with the community	223,893 calls answered by our Contact Centre staff
729km of stormwater pipes	780,825 items available at our 14 libraries	203sqm of open space per Wellingtonian
1,077km of wastewater pipes	371km of walking and biking tracks	\$4.2m in funding to community projects and organisations
900km of footpaths	754,300 resources in City Archives	19,869 streetlights operated
107 playgrounds	66 free public events	10 new public murals

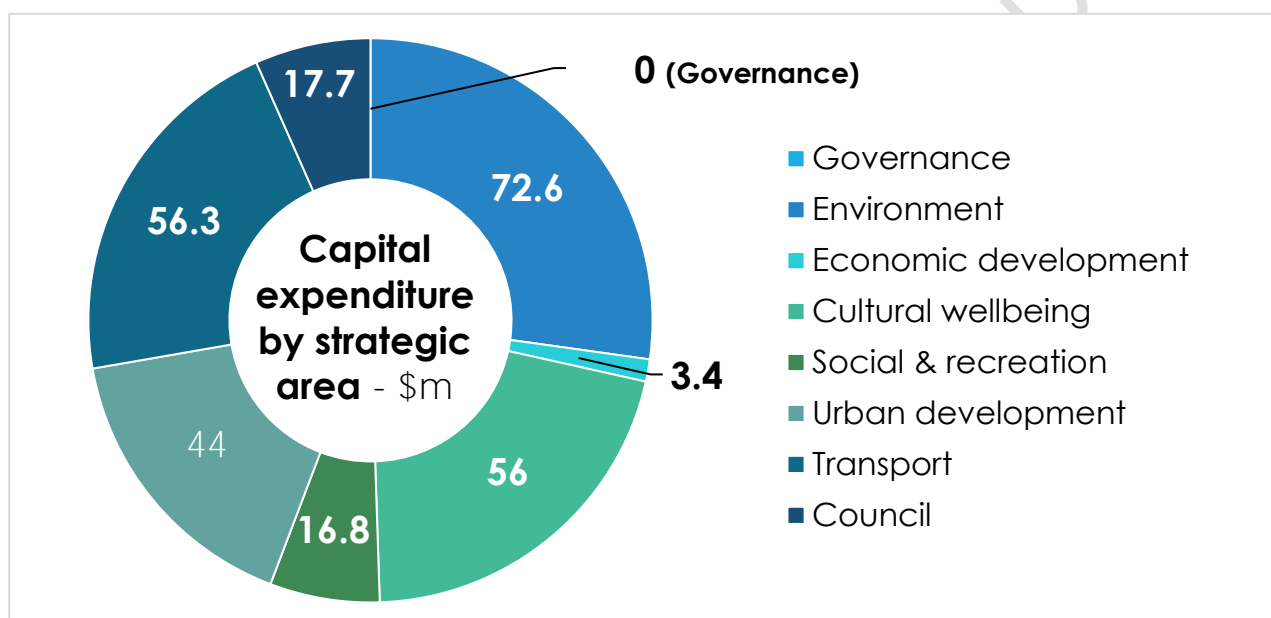
Draft - subject to audit

⁶ Not all is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils.

Summary of our capital budget

Wellington City Council has \$8.2b of assets. As custodian of these assets, we have a comprehensive renewal and upgrade programme and have completed \$266.8m of capital expenditure during 2020/21. This is 74% of what we budgeted. The reasons for the underspend are explained in this section.

\$266.8m Capital budget spent this year	\$155m Spent upgrading existing or building new assets
\$115m Increase in net debt over 2019/20	\$1:\$0.5 Debt servicing costs to investment returns



Spending on infrastructure and resilience

The 2020/21 capital programme included significant investment in the three waters networks totalling \$55.7m or 21 percent of our total capital expenditure. More detail on this can be found on [pg X](#).

There was also significant investment in the transport network, multi-year projects to earthquake strengthen the Town Hall and St James Theatre, and build the city's new Tākina Convention and Exhibition Centre. Spend on these major projects was \$152.5m, which represents 57 percent of our total capital expenditure.

COVID-19 impacts meant that projects at the end of 2019/20 were delayed or paused and \$61.3m of work was carried forward into this financial year. This pressure, on top of a constrained construction market and a full 2020/21 capital programme, meant that there was a \$93.6m underspend this year. Once approved overspends of \$15.8m are adjusted for, the revised underspend is \$109.4m, of which \$94.1m will be carried forward to future years.

Borrowing for the year

For 2020/21 total net borrowings increased by \$115.4m in order to fund the capital expenditure programme for the year. Net borrowing is comprised of gross borrowing minus cash and term deposits. Net borrowing was \$762.8m at the end of the year. This compares to \$859.4m forecast in our 2020/21 Annual Plan. At the end of the year, the average borrowing per resident is \$3,625.

The ratio of debt servicing costs to investment returns is \$1:\$0.5. This means that every \$1 paid in interest costs is offset by 50c of investment income received. This ratio had been \$1:\$1 or higher in previous years, but in 2020/21 it dropped because COVID-19 impacts resulted in no dividend being received from Wellington International Airport Ltd.

Capital programme variance summary

The \$93.6m capital underspend at the end of the 2020/21 year arose because of:

- several capital projects being delayed due to various timing issues arising from project design and costing, public consultation and consenting requirements; and
- that impact on projects from the COVID-19 lockdown in the prior year, such as delays and increased difficulty procuring materials from overseas suppliers.

Capital programme variance explanations

Project	\$m	Comments
Transport projects	25.3	There is a timing difference on several projects due to delays from COVID-19 impacts. This has resulted in lower expenditure in some key programmes such as Cycleways and Streetlighting. It is expected that these projects will be on-track in the near future.
Organisational Projects	13.8	Delays due to COVID-19 in the Te Ngākau Civic Precinct programme have been partially offset by increased spend on ICT infrastructure and transition costs associated with change of quarry operator, which resulted in an overall underspend.
Wellington Venues renewals	12.9	There is a timing difference arising from the delay with the St James theatre due to lost time on site owing to COVID 19 and increased difficulty procuring materials from overseas suppliers. This underspend will be made up in future years as the building is completed.
Housing – renewals, upgrades and housing investment programme	12.8	There have been delays in expenditure with the housing investment programme as well as housing renewals and upgrades which are awaiting the review to address the financial sustainability of City Housing.
Let's Get Wellington Moving (LGWM)	6.9	The LGWM programme of work is continuing to be developed and has given rise to a timing delay in when this expenditure will occur. This timing difference will be reprioritised with projects coming up in future years.
Community Halls - upgrades & renewals	6.0	This variance has resulted from the rephasing of the Community Centres upgrades, which will now be done over the next two financial years.
Wellington Waterfront development	5.0	This underspend primarily relates to the redevelopment of Frank Kitts Park playground, which has been designed and is expected to be completed in 2021/22.

Project	\$m	Comments
Gardens, beaches and green open spaces	4.7	Park's infrastructure and coastal renewal projects were delayed as additional planning was required for specific key projects.
Gallery & Museum upgrades	4.7	This project is under spent as plans for the Bond Store are yet to be finalised.
Central City Framework	4.4	Part of the North Lambton Quay project (part of the Central City Framework) is being reprioritised and aligned with the LGWM Golden Mile work stream.
Basin Reserve	4.3	This project has been impacted by the availability of contracted services for the Basin Reserve upgrade project which is now due to be completed in 2021/22.
Water – upgrades and renewals	(1.5)	Additional expenditure was incurred due to the Severn Street project and other reactive renewals (such as Wellington Rd) as well as Omāroro reservoir being ahead of plan.
Stormwater – upgrades and renewals	(2.2)	Additional expenditure due to the impact of the Jervois Quay emergency renewal project.
Wastewater – upgrades and renewals	(4.2)	Additional expenditure as a consequence of work on completing the Mt Albert Tunnel project as well as reactive renewals being higher than expected.
Earthquake Risk Mitigation	(5.0)	More expenditure than anticipated was incurred for the earthquake strengthening of the St James Theatre. The budget for St James is split over two strategies and the overall cost of the project is under spent for the year.
Other	5.7	Miscellaneous delays in a number of projects.
Total 2020/21 variance	93.6	Underspend

Key projects and programmes

In our Annual Plan 2019/20 – which was based on the 2018-28 Long-term Plan – we outlined the major projects intended to be completed during the year. These are highlighted in the relevant chapters of Section 2: Our performance in detail, from [pg X](#).

Annual updates

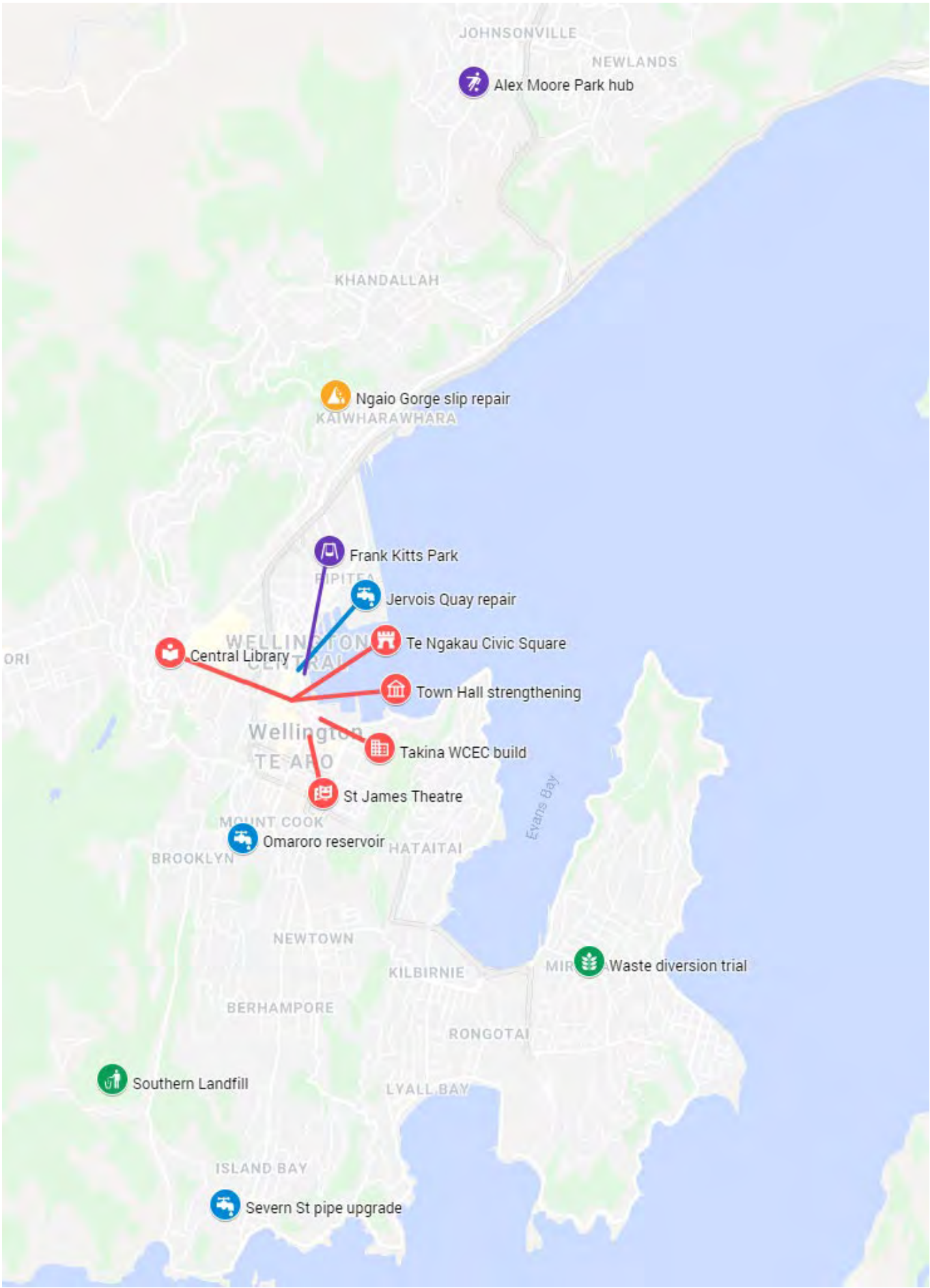
Many of our key projects are city-wide, multi-year programmes that will create significant change in the city's transport, climate change mitigation and adaptation, mana whenua relationships, planning, and three waters areas. This report provides an annual update on how those projects are tracking. Details on where to find each project in this document are shown below.

- Let's Get Wellington Moving (LGWM): [pg X](#)
- Te Atakura – First to Zero: [pg X](#)
- Government three waters reforms: [pg X](#)
- Planning for Growth: [pg X](#)
- City Housing upgrades and rent-setting: [pg X](#)
- Mana whenua partnerships: [pg X](#)

Key projects

We also have key projects that were outlined in the Annual Plan. Some of these were one-year projects that were completed or are soon to be completed, others are multi-year infrastructure projects that have an impact across the city.

- Three waters work programme: [pg X](#)
- Waste diversion trial in Miramar: [pg X](#)
- Southern Landfill extension: [pg X](#)
- Te Ngākau Civic Precinct: [pg X](#)
- Town Hall/National Centre for Music: [pg X](#)
- Tākina Convention and Exhibition Centre: [pg X](#)
- St James Theatre: [pg X](#)
- Ngaio Gorge slope stabilisation: [pg X](#)
- Central Library and CBD network: [pg X](#)
- Alex Moore Park Sport and Community Hub: [pg X](#)
- Frank Kitts Park: [pg X](#)



Section 2: Our performance in detail

In this section

This section describes in detail how we performed in each of our seven strategic activity areas and our Council-controlled organisations. Each activity area includes an overview of the activities from the year, and 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 summary of our financial and non-financial information. Where applicable we have included details on the impact of COVID-19. Timings for the COVID-19 Alert Levels for 2020/21 are:
 - **308 days at Level 1:** no restrictions on movement or gatherings, encouraged to keep records of movement, face coverings on public transport, border still closed. We were in Level 1 on:
 - i. 1 July to 11 August 2020
 - ii. 22 September 2020 to 14 February 2021
 - iii. 17 February to 27 February 2021
 - iv. 7 March to 23 June 2021
 - v. 29 June to 30 June 2021
 - **57 days at Level 2:** includes 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. We were in Level 2 on:
 - i. 12 August to 21 September 2020
 - ii. 15 February to 17 February 2021
 - iii. 28 February to 6 March 2021
 - iv. 23 June to 28 June 2021
- 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.
 - Of the 228 KPIs this year, 217 have a reported result, which is either not met, met within 10% or exceeded against target, and 11 have no result (NR). The explanations for these 11 are reported in the relevant chapters and in Chapter 8: Detailed performance information.

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 developed and successfully adopted the 2021-31 Long-term Plan, held a Tawa Community Board by-election, progressed the digitising of our City Archive and made significant steps in our work on revitalising te reo Māori in the city and within the Council.

Continuing impact of COVID-19

The continuing COVID-19 pandemic had little to no impact on this area of the Council.

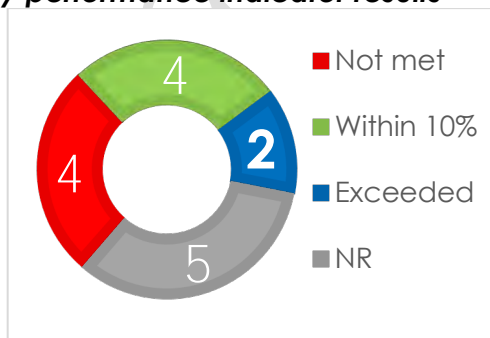
Processes put in place during the lockdowns in 2019/20 were built into business as usual practices so were used in the brief periods that Wellington was in Level 2. This included the ability for Councillors and the public to appear and participate in committee and Council meetings via digital channels.

Community engagements were able to continue as planned, with appropriate health, safety and hygiene measures put in place for the Level 2 periods. All major engagements were unaffected by the Level 2 periods.

Performance Summary

This strategy area is responsible for delivering seven percent of Council's performance measures. COVID-19 did not have a material impact on the KPIs in this area.

Key performance indicator results



Outcome indicator trends

No trends to report

Of the 8 indicators we monitor, 2 displayed no trend and 6 not reported.

The five KPIs that were not able to be reported were in 1.2 Māori and mana whenua partnerships. In 2020, new reporting approaches were explored to improve the capture of insights from our Māori residents and our mana whenua partners, however these did not provide the desired response. The COVID-19 lockdown in August 2020 also affected our ability to capture data for this measure. As a result, we are unable to report results against

this activity area's KPIs or outcome indicators. However, information about the relationship is available in this chapter on [pg X and X](#).

There were only two results available for the outcomes monitored in this area and both results were consistent with previous years, so there is no trend evident.

Highlights	Challenges
<p>100%</p> <p>Our two measures on ensuring we are facilitating democratic decision making were within 10% or exceeded of target this year. This area has performed well in the three years of the 2018 Long-term Plan, providing more opportunity for the public to participate in the running of the city.</p>	<p>3 out of 4</p> <p>measures that record residents' satisfaction with decision making, community engagement and information accessibility were not met this year and have decreased in the past three years. This is an opportunity for improvement.</p>

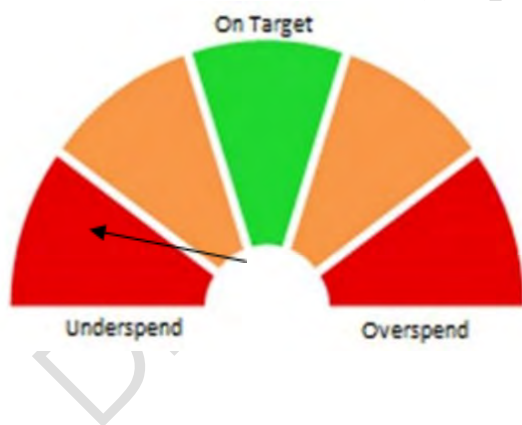
For full details of outcome and key performance indicators and variance explanations, please see [pg X](#).

Financial summary

The financial result for Governance was favourable for the year due to lower than planned COVID-19 response support costs for Council-controlled organisations, as well as lower personnel costs through vacancies. There is no capital expenditure for this area.

For more details on the Governance budget and variance explanations, see [pg X](#).

Net operating expenditure



Variance:
\$3.2m or 13% underspend

Pārongo ā-tāone – Governance activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

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

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.

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

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 Tauihu action plan. We also partner with mana whenua and recognise their special place in the city's history and their relationship with the land, waterways and other parts of the environment.

Key projects or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

Long-term Plan and other key policies

A key focus for the Council was completing an 18-month work programme to update the Long-term Plan (LTP). The LTP sets the Council's strategic direction and forecast budget for the next 10 years.

This update included, addressing many of the big issues facing the city, including fixing the three waters network, transport, housing, climate change and earthquake resilience. The proposals were consulted on with the community before any final decisions were made. This resulted in changes to some of the proposals, including increased investment in cycleways. The final capital investment programme is one of the largest the Council has made.

Three other key strategies were consulted on alongside the LTP: the Strategy for Children and Young People; the Aho Tini Arts, Culture and Creativity Strategy; and the Social Wellbeing Framework. These will be adopted later in 2021. We also: adopted a new Traffic and Parking Bylaw; reviewed the Alcohol Fees Bylaw, Gambling Venues Policy, and Dangerous and Insanitary Buildings Policy.

Mana whenua and Māori

Over the past year, we have successfully delivered many activities with mana whenua. This success is often down to strong partnerships. We have highlighted a desire for more standardised processes for engaging with mana whenua and ensuring projects are better

adapted for them. Significant extra resourcing from 2021/22 onwards was committed to this area through the 2021-31 Long-term Plan.

Some of the successful activities with mana whenua this year were:

- supporting maintenance of Opau urupā
- the Dactylanthus seed translocation project
- collaboration on our Huinga Māori – 10 Year Māori Strategy
- Ara Paekawakawa in Island Bay and Tākina Wellington Convention & Exhibition Centre naming
- Te Awe and Te Pātaka library blessings
- public art and community projects, including
 - Whetūrangi at Waitohi
 - Strathmore Park Community Centre upgrade
 - Newtown Library community mural
 - Matariki Public Art Project

Our relationship with mana whenua has improved over the past year. We have made significant changes, such as the inclusion of a Māori Ward for the 2022 elections and appointing two mana whenua representatives to all council committees.

We are currently undergoing a refresh on how we work with mana whenua and this will be led by conversations with our mana whenua partners and based on their preferences of how we should be working together. We are actively seeking further opportunities for mana whenua to engage in the decision-making process of the city, this continues to be a key theme across our work.

For more read our feature article at the end of this chapter, [pg X](#).

Changes to Governance structure

In February 2021, an independent governance review of Wellington City Council was conducted. A final report was provided in April. More information on the implementation of the recommendations and the review is in Section 3: Governance and Management, from [pg X](#).

City Archive improvements

In July 2020 we started a three-year project to digitise our archive collections. The aim is to make our collections more accessible via Archives Online so that anyone can access the archives where they want, when they want.

Work is split between on-site on-demand digitisation to support our access services, and high-volume back scanning off-site in Auckland. A pilot was conducted through the latter half of 2020, and digitisation is now ongoing. The project is expected to continue through to October 2023. To date more than 2,000,000 pages have been digitised.

Tawa Community Board by-election

The by-election was held for the Tawa Community Board following the resignation of board member Steph Knight. Five nominations were received, and so an election was held. Voting took place from 15 April to 7 May 2021. In total, 2,359 votes were cast for a turnout of 21.11 percent. At the close of voting Malcolm Alexander was elected to the board and was sworn in at the board meeting on 13 May.

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 Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
1.1 Governance, information and engagement					
Expenditure	19,469	21,663	24,827	(3,164)	Under budget due to lower than planned COVID-19 response support costs for Council-controlled organisations as well as lower personnel costs through vacancies.
Revenue	(766)	(500)	(516)	16	
Net Expenditure	18,703	21,163	24,311	(3,148)	
1.2 Māori and mana whenua partnerships					
Expenditure	307	314	317	(3)	
Revenue	-	(10)	0	(10)	
Net Expenditure	307	304	317	(13)	
1 Pārongo ā-tāone – Governance Total					
Expenditure	19,776	21,977	25,144	(3,167)	
Revenue	(766)	(510)	(516)	6	
Net Expenditure	19,010	21,467	24,628	(3,161)	

What it cost (capital expenditure \$000)




	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
1.1 Governance, information and engagement expenditure						
Governance Total	48	0	0	0	0	

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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators

We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the eight outcome indicators we monitor, only two had results available for 2020/21 both had no trend. For details see [pg X to X](#).

				Total	Commentary
1 Pārongo ā-tāone – Governance	0	2	0	2 (and 6 NR)	Residents' perceptions of opportunities to participate in decision making dropped but similar to previous results. Residents' valuing diversity was also consistent with previous results.

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 8 of this section, see [pg X to X](#). These pages 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	4	4	2	10	The three not met KPIs relate to results from the residents' monitoring survey on satisfaction with decision making, community engagement and information accessibility. Satisfaction with city archives and timeliness of meeting agendas were the exceeded KPIs.
1.2 Māori and mana whenua partnerships	-	-	-	5 NR	All 5 KPIs results were not able to be measured.
1 Pārongo ā-tāone – Governance Total	4	4	2	10 and 5 NR	10 out of 15 KPIs results reported – five no result

Spotlight on – Working together with mana whenua and Māori

We have been dedicated to lifting our organisational capability to build a more meaningful partnership with mana whenua and Māori.

Over the past year, officers have successfully delivered several activities with mana whenua. This success is often down to strong partnerships with mana whenua and appropriate resourcing.

The current state of the relationship

To ensure this continues and to have meaningful mana-enhancing relationships, we need to make sure our processes work for everyone. We acknowledge that our projects and relationships are not always set-up to work for our mana whenua and Māori partners. We also need more standardisation and better education on how we can best partner with mana whenua and Māori.

Our mana whenua partners agreed the relationship with Council has been improving with some good experiences in the past year. These have primarily been driven by key relationships with teams and individuals such as those with Mataaho Aronui. However, there is still a way to go on certain areas of the partnership.

Areas for improvement included: ensuring requests that come through are relevant and in line with iwi priorities; to continue work on improving the resource consent process; and partnering on story-telling and communications.

Council is also committed to ensuring mana whenua and Māori participate meaningfully in, contribute to, and inform Council decisions. Liz Kelly from Ngāti Toa Rangatira joined all Council committees in July, and a Taranaki Whānui representative will be announced soon.

Changing the way we work

This year, we undertook research into our current state and how we can improve. Based on the findings, we have changed our Iwi Partnerships business unit from an operational team to a strategic one, and increased the capacity of the team. With the new shift in focus comes a new name: Mataaho Aronui – Māori Strategic Outcomes. The business unit will change from one team to three – focusing on:

- building and maintaining effective partnerships and community relationships with Māori, specifically mana whenua.
- creating effective strategic policy and advice to improve Māori contribution to decision making processes.
- building individual and organisational capability to respond to Māori needs and aspirations.

By shifting our focus to strategy, and enabling the whole organisation to understand Māori outcomes better, we'll be able to: create productive partnerships with Māori; give quality advice and guidance; build strong Māori communities; produce effective strategy and policy and build the organisation's Māori capability.

By implementing these changes, we will be a highly capable organisation where te ao Māori is business-as-usual. We acknowledge our areas for improvement and have been intentional with our drive to improve our current state to a more meaningful and influential service for Māori.

Celebrating successes

There have already been some note-worthy efforts in this space across the organisation. Over several years, Karori Recreation Centre Manager Cheyenne Green has actively been raising the status of te ao Māori and te reo Māori at our recreational facilities. He has also provided meaningful input into several of our key internal guiding documents, such as the Diversity and Inclusion Strategy.

Next steps

We are drafting a 10-year Māori Strategy in collaboration with our mana whenua partners. This strategy will be based on the aspirations of Māori for our city. It will be a guiding document to help the Council enhance our partnerships with mana whenua and Māori, and contribute to Māori success within the city. We are also actively seeking further opportunities for our partners to contribute to, and inform decision making processes in our city.

We have a long way to go, but we have a clear pathway of how we intend to get there. By working together, sharing our resources, and building our strengths, we will see Māori success flourish in Wellington.

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, and includes 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 began the implementation of our climate change response strategy, Te Atakura – First to Zero, started an organic waste trial, renewed our coastal infrastructure and worked to implement the recommendations of the Mayoral Taskforce on Water. However, there continued to be ongoing concern about the resilience of our water infrastructure.

Continuing impact of COVID-19

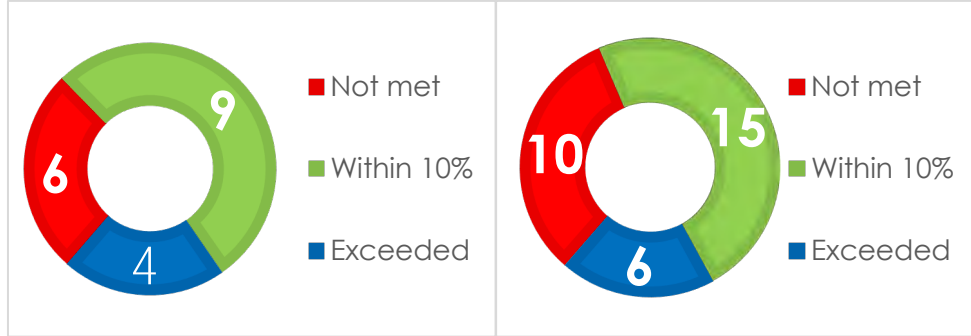
The following section outlines the continuing impact of COVID-19 on our work programme and provides a snapshot of the delays or additional work carried out in response to the brief periods of Level 2 restrictions this year.

- During the year, both the Zoo and ZEALANDIA noticed that the closed borders and the absence of cruise ships caused reductions in their normal visitor patterns and spending behaviours. Government support during the year was an important factor in the continued viability of both facilities.
- The upgrade projects at the Zoo and ZEALANDIA were both delayed in response to COVID-19, but are now on track for completion in the next 12 to 18 months.
- Use of parks and open spaces including the waterfront, beaches and the Wellington Gardens has continued to grow as people seek opportunities to be active close to home.

Performance summary

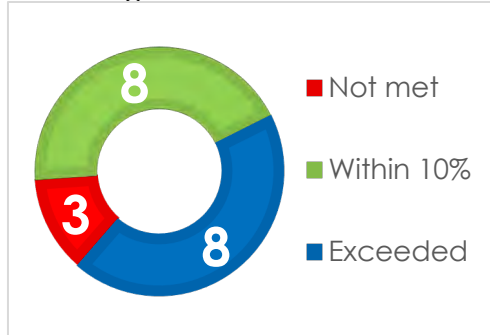
This strategy area is responsible for delivering about 30 percent of Council's performance measures, with 71 percent either met or exceeded for the year.

Key performance indicator results



Excluding CCOs

Wellington Water KPIs



Zoo and ZEALANDIA KPIs

Outcome indicator trends



The regionally owned Council-controlled organisation Wellington Water Limited (WWL) is responsible for the delivery of water services that are represented by 31 KPIs in this activity area. Of these, 10 were not met and six were reported as exceeded.

Our Council-controlled organisations that support our natural environment (Wellington Zoo and ZEALANDIA) are responsible for delivering against 19 KPIs, of which eight were exceeded and only two cost-related measures were not achieved, partly due to COVID-19 closures.

Of the five outcome indicators that have a positive trend, three are related to access to green open spaces; one is to increase solar energy generation and one is the hours worked by volunteers. Negative trends were seen against fresh water biological health, water consumption and energy use per capita.

Highlights	Challenges
<p>81%</p> <p>Residents' self-reported use of the city's open spaces – local parks and reserves, botanic gardens, beaches and coastal areas, waterfront and walkways – has significantly increased in the past three years, up from 55% in 2017.</p>	<p>7 out of 7</p> <p>measures that record response times to urgent and not urgent incidents in our three waters network were not met this year. This area continues to be one of concern, as some results are more than double the targeted time.</p>

For the full set of outcome and key performance indicators and variance explanations, please see [pg X](#).

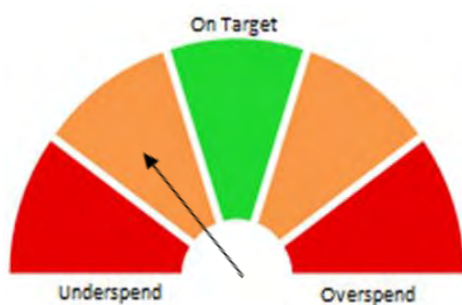
Financial summary

There were additional costs incurred for three waters due to additional income being received from the government three waters infrastructure stimulus package. This was partially offset by lower contract costs, predominantly in street cleaning and suburban refuse collection, combined with lower bulk water costs and resulted in an unfavourable variance of one percent for budgeted expenditure. However, when combined with additional revenue from waste operations and vested asset income the overall Environment and Infrastructure operating expenditure has net variance of eight percent under budget.

In capital expenditure, there was a total \$7.8m overspend for the three waters network due to work on completing the Mt Albert tunnel project as well as reactive/emergency renewals being higher than planned. This was partially offset by underspends in Parks infrastructure and Coastal renewal projects as well Zoo and ZEALANDIA projects being under budget due to rephasing of spend.

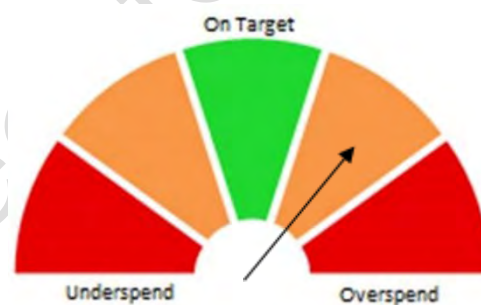
For more details on the Environment and Infrastructure budget and variance explanations, see [pg X](#).

Net operating expenditure



Variance:
\$13.1m or 8%
underspend

Capital expenditure



Variance:
\$1.9m or 3%
overspend

Te Taiao me te Hanganga – Environment & infrastructure activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

2.1 Gardens, beaches and green open spaces

In this area we seek to manage 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 supporting extensive trapping through Predator Free Wellington and Capital Kiwi.

2.2 Waste reduction and energy conservation

In this area we aim 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.

2.3 Water, 2.4 Wastewater & 2.5 Stormwater

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 stormwater services. This organisation is profiled on **pg X** in the Council-controlled organisations section, including details of its board and governance structure.

Note: Four performance measures in these activity areas received a qualified audit opinion. More information about these measures and the reason for the qualification can be found in Chapter 8: Detailed performance information from **pg X to X**.

2.6 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. These organisations are profiled on **pg X** in the Council-controlled organisations section, including details of their board and governance structures.

Activity area highlights

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

Three waters network

Drinking water, wastewater and stormwater assets are owned by the Council, and managed on the Council's behalf by Wellington Water Limited (WWL), a Council-controlled organisation that is jointly owned by six Councils.

A series of high profile failures caused the Council to take a closer look at how water is managed.

Mayoral Taskforce: Three Waters

The Mayoral Taskforce: Three Waters convened from March to December 2020 and aimed to provide an honest, open and unvarnished assessment of the state of our three waters infrastructure and recommended a blueprint for the future. The Taskforce report was presented to Council in December 2020, and further considered in March 2021, when we formally agreed in principle with the overall direction.

The Taskforce emphasised that: we lose too much drinking water through old, broken pipes; we don't accurately measure water use so it is difficult to prioritise investment; and if we don't conserve water we'll need to fund and build more large storage dams, and pump more water across the city – increasing our carbon output.

It also gave a clear picture of the effect on our environment of leaky sewerage. Sewage and other sources of contamination mean that none of our streams are in good health and our harbour is deteriorating. The Council has committed to do better in this area. The damage, which accumulated over several decades, will take a long time to reverse.

The taskforce also noted that although the Council has been fully depreciating its water assets for many years, and providing the funding requested, the actual level of renewals investment has consistently been significantly lower than the depreciation collected.

Government Three Waters Reform

After the August 2016 outbreak of gastroenteritis in Havelock North, caused by drinking water, a Government inquiry found systemic flaws with three waters governance and management across the country. This year it has embarked on an ambitious programme aimed at reforming the sector.

The reforms include the establishment of a regulator, Taumata Arowai, responsible for a new drinking water regulatory system and improved environmental outcomes from wastewater and stormwater networks. This new system will require Wellington to significantly lift its game with respect to all three waters if we are to comply with legal standards.

At the same time, the Government is proposing that Wellington joins with 23 other councils and iwi to form an independent Water Service Entity that will be accountable for assets and services that are currently provided by councils. This is a significant proposal that would have flow-on consequences for the Council and for WWL. The reforms are on-going, with more information and decisions likely to be made by the end of 2021.

Work Programme

WWL capital and maintenance programmes this year included:

Omāroro Reservoir: Work started in October 2020 and, supported by a dry summer, resulted in the reservoir site being fully excavated ahead of schedule, allowing an early start on the main structures. By 30 June 2021, the access tunnel was more than 60 percent complete, half of the main floor slab was cast, and 45 percent of the pre-cast walls. For more information read the feature article at the end of this chapter, [pg X](#).

Bowen and Whitmore Streets: The central city near Parliament was disrupted as we invested in a significant upgrade of the major sewer along Bowen and Whitmore streets. The new sewer is the first in a series of upgrades designed to improve the network over the next decade, and to build capacity and resilience so it can serve the growing city over the next century.

Leak detection: A concerted effort in this area has meant the detection and repair of about 700 leaks. This is a small step towards better management of our water.

Asset condition assessments: WWL has identified the city's very high criticality assets, 185km of pipe, 34 pump stations and 64 reservoirs, and has developed inspection programmes, which are complemented by previously gathered data. A preliminary assessment of all of Wellington's very high criticality assets was completed by 30 June 2021. It is online at: wellington.govt.nz/infrastructure-committee-12-08-2021

Drainage investigation teams: This was established to track wastewater pollution in our waterways that could cause a risk to human health and includes: working with private property owners to fix faults; and developing solutions to fix the faults. This year, it commenced investigations in Owhiro Bay, which will continue into 2021/22.

Te Atakura

In August 2020, the Council adopted the implementation plan for Te Atakura – First to Zero, our strategy for becoming a net zero carbon capital by 2050. This plan highlights specific initiatives to help achieve carbon reductions for the city in transport, building energy and urban form, advocacy, and in the Council.

Our Climate Change Response team focused on supporting car share schemes, securing funding to increase the city's number of EV chargers, influencing central government policy, and liaising with other organisations on climate action.

We have budgeted in the 2021-31 Long-term Plan for the full amount necessary to halve our emissions by 2030 and achieve our long-term emission reduction goals. Almost \$30m has been allocated to climate action initiatives over the next decade, on top of the \$226m investment in cycleways, and the zero- and low-carbon transport options planned by Let's Get Wellington Moving.

Waste diversion trial

On 16 October 2020, the Waste Operations team launched a 12-month food waste diversion trial for 950 households on the Miramar Peninsula. The trial aims to measure diversion and participation from a kerbside food waste collection. The results and feedback will be used to inform a city-wide solution for food waste. To the end of 2020/21, 23,970kg of food waste has been collected and therefore diverted from landfill, at an average participation rate of 40 percent of households per month.

Southern Landfill extension

The consent for the current Southern Landfill runs out in 2026, and despite waste minimisation initiatives, the landfill is likely to be full by that time. Therefore, Council needs to plan for what will happen after 2026. There are interdependencies with the treatment and disposal of sewage sludge, waste minimisation activities and the drive to reduce carbon.

Early engagement with the public has occurred, and more consultation on the options is planned for late 2021. Until the consultation occurs and decisions are made by Council, the Southern Landfill Extension project is on hold. An update on how residual waste will be treated once the landfill is full is expected in late 2021.

Wharf renewals

This year we completed the strengthening of piles and replaced fendering on Queens Wharf and the Police Wharf on the Waterfront. We also commenced work at the Clyde Quay Boat Harbour and planned repairs on the breastwork and pontoons and removal of the slipway. This work will be completed next financial year.

Resource and building consents have been approved for the Seatoun Wharf repair. Work will begin in August 2021, and could take up to 12 months, due to the structural issues and its heritage status. Planned repairs to the Cog Park Wharf and Karaka Bay Wharf have been delayed until after the completion of Seatoun Wharf.

Evacuations and storm preparation

A significant southerly storm struck on 29 and 30 June – with residents in Wellington's Breaker Bay evacuated overnight after a local state of emergency was declared by Mayor Andy Foster. Wave data from NIWA and MetService indicated big sea swells could put lives at risk in Breaker Bay, at the entrance to Wellington Harbour, where swells of up to 15 metres in height were recorded during the night.

City Council emergency welfare team helped a handful of residents find temporary accommodation but most residents either found their own accommodation or stayed put. Sea swells crossed the road at high tide at numerous locations around the south coast and caused limited damage to some houses in Owhiro Bay.

Fortunately the overall effect on the city and region was minor but the storm did reignite a conversations about how to deal with storm swells, flooding and sea-level rise.

Wellington Zoo – snow leopards

The Snow Leopard project has been delayed by the COVID-19 lockdowns, by value engineering and design rework to optimise the project within its budget, and capacity pressures in the construction sector. Construction is scheduled to start in October 2021 and planned to take approximately 12 months.

Zealandia – Tanglewood House and Rata Café improvements

Tanglewood House

This project is progressing well although the timeline for the project has been affected by the pandemic, delaying progress by approximately one year. Construction is now expected to begin towards the end of 2021.

Rata Café improvements

The glazing and re-flooring of the Rata Café balcony was completed during 2020/21 and has transformed an outside balcony into a comfortable year-round extension to the café.

Growing future partnerships

Wellington City Council has partnered with Victoria University of Wellington (VUW) to plant a new native forest in the Outer Green Belt as part of the Growing our Future Programme. VUW staff, students and alumni will plant up to 28,000 native trees on an 11-hectare block of land in Ohariu Valley. Council and VUW have entered into a lease agreement and will share the resulting carbon credits. Planting will take place over three to five years and is being facilitated by Conservation Volunteers New Zealand.

Other Environment highlights

- 11,929 hours of ecological weed control delivered and 15 new or expanded sites were added to the programme.
- A viewing platform was constructed for the 800-year-old rimu at Ōtari-Wilton's Bush. The tree was gifted then name Moko in July 2021.
- Completed stage one of new shared trail in Te Ngahere-O-Tawa and supported Mana Cycle group to build a Grade 3 downhill mountain bike trail
- Supported the Trelissick Group to build the new Oban St bridge
- Consulted on the draft Track Network Plan for Te Kopahou Reserve
- Recorded over 5600 observations in the Great Kereru Count. Wellingtonians had the highest participation rate in the country
- Waste education increased in 2020/21 compared with the previous two years, with almost 2,000 in-person interactions via educational sessions, community engagement and landfill tours
- Collected 10,686 tonnes of recycling and sold 1.9m Council rubbish bags.
- New Solid Waste Management and Minimisation Bylaw came into effect on 25 January 2021, which introduced a suite of new regulatory waste minimisation requirements. These include new waste diversion standards and changes to kerbside collection, with a ban on the disposal of batteries and restrictions on the amount of green waste permitted in Council waste bags.

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 is on [pg X](#) of Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
2.1 Gardens, Beaches and Open Spaces					
Expenditure	41,925	43,754	47,392	(3,638)	Favourable predominantly due to lower than budgeted street cleaning costs (due to contract changes).
Revenue	(3,008)	(3,229)	(2,607)	(622)	Favourable due to higher than planned NZTA subsidies for road corridor growth control as well as better than expected revenues after budgets were reduced to recognise the likely impact of COVID-19.
Net Expenditure	38,917	40,525	44,785	(4,260)	
2.2 Waste reduction and energy conservation					
Expenditure	21,823	23,666	22,220	1,446	Unfavourable due to higher landfill operational costs offset to some extent by lower contract costs for suburban refuse collection and interest rates.
Revenue	(21,974)	(24,665)	(21,053)	(3,612)	Favourable due to the volumes of contaminated soil being received at the landfill as well as favourable variances in Suburban Refuse collection (rubbish bag sales) and Domestic Recycling landfill levies.
Net Expenditure	(151)	(999)	1,167	(2,166)	
2.3 Water network					
Expenditure	48,615	53,818	54,209	(391)	Favourable due to lower depreciation costs as well as bulk water costs. This is offset to some extent however by higher maintenance costs owing to the volume and complexity of the work and additional expenditure related to the government three waters infrastructure stimulus package.

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
Revenue	(767)	(5,040)	(39)	(5,001)	Favourable due to vested asset income and income from government three waters infrastructure stimulus package.
Net Expenditure	47,848	48,778	54,170	(5,392)	
2.4 Wastewater					
Expenditure	59,357	53,970	51,675	2,295	Additional expenditure incurred due to additional income received from the government three waters infrastructure stimulus package.
Revenue	(2,644)	(3,694)	(694)	(3,000)	Favourable due to income from government three waters infrastructure stimulus package.
Net Expenditure	56,713	50,276	50,981	(705)	
2.5 Stormwater					
Expenditure	19,371	23,614	22,761	853	Additional expenditure incurred due to additional income received from the government three waters infrastructure stimulus package.
Revenue	(2,332)	(2,157)	(204)	(1,953)	Favourable due to vested asset income and income from government three waters infrastructure stimulus package.
Net Expenditure	17,039	21,457	22,557	(1,100)	
2.6 Conservation attractions					
Expenditure	7,431	7,553	6,988	565	Unfavourable due to the higher than planned cost of grants (Zealandia) and depreciation (Zoo).
Revenue	0	0	0	0	
Net Expenditure	7,431	7,553	6,988	565	
Environment total					
Expenditure	198,522	206,375	205,245	1,130	
Revenue	(30,725)	(38,785)	(24,597)	(14,188)	
Net Expenditure	167,797	167,590	180,648	(13,058)	

What it cost (capital expenditure \$000)

	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
2.1 Gardens, beaches, green open spaces	5,342	6,338	5,845	10,487	(4,642)	Park's infrastructure and coastal renewal projects were delayed due to additional planning required for specific key projects.

	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
2.2 Waste reduction, energy conservation	2,059	6,764	8,979	7,444	1,535	Over budget due to bringing forward the purchase of carbon units under the Emissions Trading Scheme, partly offset by savings from the Landfill stage 4 development being on hold.
2.3 Water Network	22,420	26,574	27,995	26,574	1,421	Additional expenditure incurred due to the Severn St project and other reactive renewals (such as Wellington Rd), and the Omāroro Reservoir being ahead of plan.
2.4 Sewage collection and disposal network	23,612	13,540	17,765	13,540	4,225	Additional expenditure as a consequence of work on completing the Mt Albert Tunnel project as well as reactive renewals being higher than expected.
2.5 Stormwater management	3,965	7,802	9,981	7,802	2,179	Additional expenditure due to the impact of the Jervis Quay emergency renewal project.
2.6 Conservation visitor attractions	1,189	3,854	2,010	4,797	(2,787)	Under budget due to phasing of the spend in the Zoo and Zealandia projects.
Environment Total	58,587	64,872	72,575	70,644	1,931	




Draft - subject to change

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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators




We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the 16 outcome indicators we monitor, five were trending in the desired direction, three had adverse trends, six had no trend results and two were not able to be reported. For details see [pg X to X](#).

				Total	Commentary
2 Te Taiao me te Hanganga – Environment & Infrastructure	3	6	5	14 (and 2 NR)	Access to green open spaces, total hectares and per capital are all showing positive trends as well as increase in solar energy generation and hours worked by volunteers in tapping and pest control. Negative trends were seen against fresh water biological health, water consumption 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 8 of this section, see [pg X to X](#). These pages 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	2	3	3	8	Strong performance for visitors to gardens which exceeded the reduced 2020/21 target. Solid increase in support for school programmes and increased weed control programme. There were two areas where performance decreased - residents' satisfaction with maintenance of playgrounds, and participation

	 Not met	 Within 10%	 Exceeded	Total	Commentary
					in pest trapping.
2.2 Waste reduction and energy conservation	4	6	1	11	Although satisfaction levels continued to be lower than target, results are in line with previous years. An outage to a flare and generator meter was the main reason for the drop in reported gas capture efficiency. Energy savings targets were reset due to COVID-19 skewing the results from 2019/20.
2.3 Water Network	4	4	2	10	For full details refer to commentary on Wellington Water Limited KPIs. Reported complaints exceeded target again this year, however this measure remains qualified and is likely under-reported. This result is mirrored across the wastewater and storm water activity areas.
2.4 Sewage collection and disposal network	4	3	2	9	There was one infringement notice issued for resource consent non-compliance, regarding the treatment plant's effluent quality.
2.5 Stormwater management	2	8	2	12	Satisfaction with the stormwater system has been trending down since 2016, now at 36%, and pipeline blockages are getting worse and still in excess of target.
2.6 Conservation visitor attractions	3	8	8	19	Although many CCO targets were set conservatively due to the unknown impact of COVID-19, visitor numbers were at or near pre COVID-19 levels. Additional financial support means 'per visitor' measures continue to be skewed.
2 Te Taiao me te Hanganga – Environment & Infrastructure Total	19	32	18	69	69 out of 69 KPI results reported

Spotlight on – Omāroro reservoir

On 30 July 2020, Wellington Water Ltd started construction of the 35 million-litre Omāroro water reservoir at Prince of Wales Park in the Town Belt, which will provide a major lift for the resilience of the city's safe drinking water.

Omāroro is a joint project between Wellington City Council, Greater Wellington Regional Council and Wellington Water Ltd, which manages the city's drinking water, stormwater and wastewater networks,

Why do we need Omāroro?

Omāroro is part of Wellington Water's ongoing work to improve the resilience of the region's water supply network and increase water storage in case of a disaster.

It's important for a city to have enough water stored to allow for at least two days' normal use and to enable repairs, maintenance and upgrades to be done without disrupting supply.

Right now our city's storage capacity is not up to scratch.

What has been done this year?

Over the past 11 months, the reservoir has been rising from the ground with major earthworks completed, concrete precast wall panels being constructed and pipes laid.

Excavations of the main reservoir site progressed well throughout the year with more than 62,000m³ of material being moved to the lower field. Some of the good quality clay also went to a local school to help build a bike pump track. Some rock material needed to be disposed of off-site, but this was less than anticipated.

Five of the six concrete wedges that form the base of the reservoir were poured by the end of the 2020/21 year, with the sixth completed in July. The first half of the reservoir floor was poured in one day in July 2021 and involved approximately 140 concrete truck trips.

Manufacturing of the 60 reservoir wall panels and 45 internal roof columns has also started, with 27 completed so far. Each of the 60 wall panels is 10.7m tall, 3.4m wide, and 325mm thick. They weigh approximately 30 tonnes each. The reservoir panels as well as the 34 panels for the pipe tunnel will all be fabricated on site. These will be installed in the 2021/22 year using a 300-tonne crawler crane that was delivered in late February.

We have also installed the water pipes across the upper field to the entrance of the reservoir, made the cut for the pipe tunnel to the reservoir site, covered the excavated earth with grass to stop runoff and set up five on-site pest control traps.

3 Whanaketanga ōhanga – Economic development

This chapter explains what we did and how we performed in our Whanaketanga ōhanga – Economic development 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 Council-controlled organisation 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, and international students.

This year, lower COVID-19 restrictions meant we were able to host several major events that had an economic benefit for the city, including the Downtown Shakedown concert and Van Gogh Alive – Digital Nights.

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

Continuing impact of COVID-19

The following section 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 brief periods of Level 2 restrictions this year.

This area experienced the most impact from COVID-19. While the economic impact was not as high as expected, there were still issues due to changing work habits, cancelled events, closed borders and uncertainty in future planning.

The city's tourism and hospitality sectors continued to be significantly affected due to international border restrictions and cancelled events. For example, the cancellation of WOW meant a decrease in the number of out of region visitors to the city in September 2020. There was a brief economic uplift once Australian tourists were allowed into the country from April to June, until a resurgence in COVID-19 closed quarantine-free travel.

The cancellation or postponement of events and the uncertainty about future visits from international performers meant that at the beginning of 2020/21 the income for Venues Wellington had all but disappeared. This recovered throughout the year, but was still significantly lower than previously, as international content makes up a significant proportion of the commercial product hosted by Venues Wellington.

Businesses pay 45 percent of the total rates in the city and provide jobs for Wellingtonians as well others in the region. It was important to support businesses 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 the hospitality, sport and business sectors.

Wellington Airport

The Council participated with Infratil Ltd to provide a \$75.8m shareholder support agreement to Wellington Airport, in the form of a commitment from both its shareholders for redeemable preference shares. Council's share of this commitment is \$25.76m and Infratil's is \$50m. The facility was not drawn upon during the year, and the drawdown option expires on 30 June 2022.

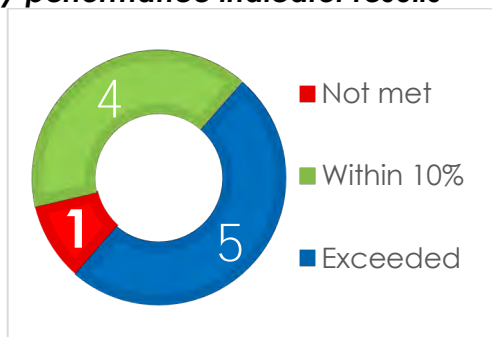
Supporting Sky Stadium

The Council, along with Greater Wellington Regional Council, has committed to a 10-year \$4.2m loan facility to the Wellington Regional Stadium Trust (trading as Sky Stadium). The loan facility is shared equally between the Council and Greater Wellington (\$2.1m each). The Trust has drawn down on this loan during the year.

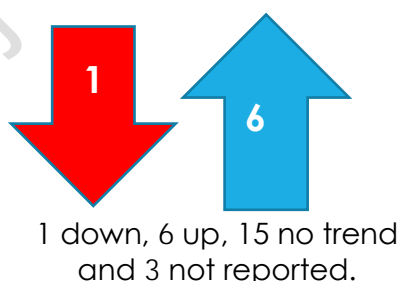
Performance Summary

This strategy area is responsible for delivering about four percent of Council's performance measures

Key performance indicator results



Outcome indicator trends



WellingtonNZ and Wellington Regional Stadium Trust both support economic development and are responsible for delivering against nine of these KPIs.

Only one KPI did not meet target; due to on-going COVID-19 impacts. The KPIs that exceeded target were where the pandemic recovery was stronger than expected.

The majority of the outcome indicators in this area relate to measures which had data that was unavailable or significantly different because of COVID-19.

Highlights	Challenges
<p>\$4.6m</p> <p>Wellington Regional Stadium Trust exceeded its event revenue for the year, along with total revenue. Both were well above the target revised due to COVID-19, but below 2018/19 levels.</p>	<p>442,595</p> <p>Wellington regional residents that attend events was not met this year (target of 475,000), because of the COVID-19 impacts on the events calendar and on regional travel.</p>

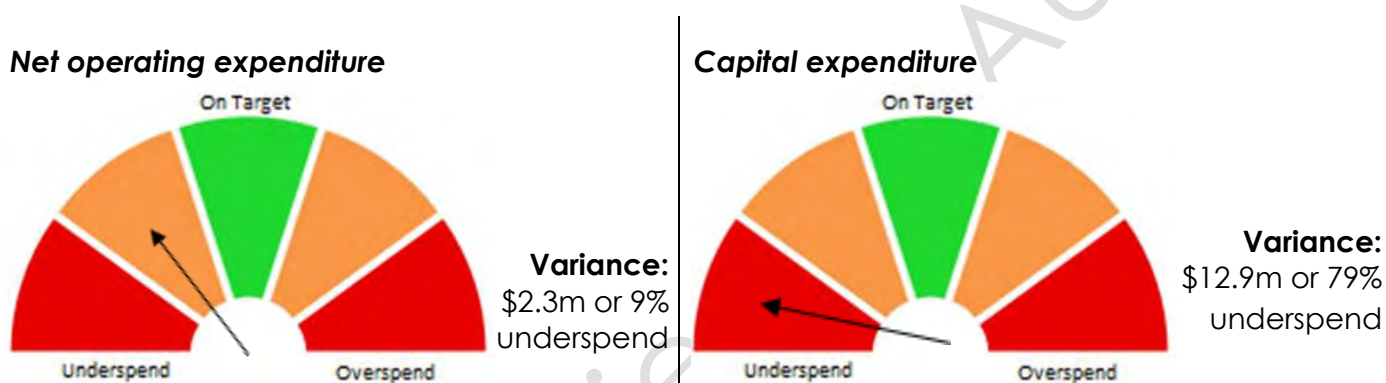
For the full set of outcome and key performance indicators and variance explanations, please see pg X.

Financial summary

The overall variance was minimal. However, operating expenditure and revenue were significantly under budget, with revenue under by 23 percent and expenditure by 47 percent, largely due to the continued impact of COVID-19 on our venues.

Capital expenditure for this activity continued to track behind schedule with a 79 percent underspend, which was largely due to delays with the St James Theatre project. This delay was due to lost time on site owing to COVID-19 and increased difficulty procuring materials from overseas suppliers.

For more details on the Economic Development budget and variance explanations, see pg X.



Whanaketanga ōhanga – Economic development activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for this group of activities.

What we do:

3.1 Whakatairanga tāone - City promotions and business support

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 or supported by WellingtonNZ. This organisation is profiled on [pg X](#) in the Council-controlled organisations section, including details of its board and governance structure.

Key projects or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

City recovery from COVID

The 2020/21 year for business in Wellington has been characterised by the desire to 'return to normal'. Borders remain closed because of the COVID-19 pandemic, but the impacts of this have been varied. Businesses that relied on international visitors have needed to adjust to a domestic market, the lack of international workers has created a very tight labour market, and supply lines have been erratically affected.

WellingtonNZ changed its work programmes during the year to support business and employment in the city and encourage domestic visitors.

The City Recovery Fund enabled the Council to stimulate the economy and provide a strong programme of events to support our hospitality, arts and culture sectors that were most affected by the pandemic restrictions. This support was welcomed by the sector.

For more detailed information on the COVID-19 economic recovery, read our feature on [pg X](#).

Tākina Wellington Convention & Exhibition Centre progress

Construction of Tākina has progressed well despite COVID-19 disruptions to global supply chains with the schedule and budget on track. Highlights include installation of the base isolators, completion of the structural steel elements and commencement of the sefar glass facade installation. Operator arrangements, sales and marketing of the centre to the business events industry and the exhibition programming for opening of Tākina have all advanced well.

St James Theatre

The St James Theatre project has faced several issues over recent months that have put the completion date under significant pressure. These issues primarily relate to unforeseeable structural concerns which were discovered as the project progressed. In addition, COVID-19 has caused substantial delays in procuring materials from offshore suppliers.

Given the residual risk in the project, Council has been unable to provide WellingtonNZ with assurance that the building will be available for operation in time for the opening of the 2022 NZ Festival and planning for alternative arrangements is underway.

Despite the issues, there has been significant progress and the majority of seismic strengthening works are now completed. Other significant works include: asbestos remediation complete; installation and reinstatement of building services underway; heritage fabric reinstatement nearing completion and auditorium repainting underway.

Vincent Van Gogh digital exhibition

WellingtonNZ worked with Grande Exhibitions to bring one of the world's most visited multi-sensory experiences to the waterfront. The waterfront featured *Digital Nights Wellington – Van Gogh Alive* from 28 August till 30 October 2020. More about this key experience is included in our feature on [pg X](#).

Draft – subject to audit

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 Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
3.1 Economic Development					
Expenditure	31,206	31,250	40,742	(9,492)	Favourable due to lower operating costs with the lack of Venues Wellington events tied to COVID-19. Grants payments in the City Growth fund are also favourable.
Revenue	(8,695)	(8,063)	(15,277)	7,214	Unfavourable due to COVID-19 impacts on Wellington Venues' revenues, which is partially offset by favourable variance in expenditure.
Net Expenditure	22,511	23,187	25,465	(2,278)	

What it cost (capital expenditure \$000)




	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
3.1 City promotions and business support	1,111	12,809	3,388	16,241	(12,853)	There is a timing difference from the delays on the St James Theatre project due to lost time on site owing to COVID-19 and increased difficulty procuring materials from overseas. This underspend will be made up in future years as the building is completed.
Total	1,111	12,809	3,388	16,241	(12,853)	

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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators

We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the 25 outcome indicators we monitor, six were trending in the desired direction, one had adverse trends, 15 had no trend results and three were not able to be reported this year. For details see [pg X to X](#).

				Total	Commentary
3.1 Whakatairanga tāone - City promotions and business support	1	15	6	22 (and 3 NR)	Positives trends include uptake of fibre, GDP, and incomes. The negative trend related to the commercial building vacancy rate, which is increasing. Many outcomes in this area are sourced from the national census that was last conducted in 2018, which means no updated data is available.

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 8 of this section, see [pg X to X](#). These pages 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	1	4	5	10	Event attendance is not met because of ongoing postponements or cancellations due to COVID-19 restrictions. WellingtonNZ has performed strongly against measures outlined in its Statement of Intent. Wellington Regional Stadium Trust results are better than plan, but still showing impacts of COVID-19.
Total	1	4	5	10	10 out of 10 KPI results reported

Spotlight on – A year of living with COVID

The 2020/21 year started out hopeful but cautious – New Zealand was in Level 1, we hadn't had community transmission for a while and we were enjoying freedom from restrictions.

However, this came at the end of a year in which our economy was effectively shut down for five weeks, where some businesses had most of their key spending customers shut out of the country and people were cautious and worried about a resurgence.

Over the year, Wellington businesses have dug deep and shown resilience and creativity in adapting to a new-normal.

Supporting business

WellingtonNZ has changed its work programmes to support business and employment in the city. This year, 557 businesses were supported through grant funding to deliver professional advice in the Regional Business Partner Programme COVID-19 Recovery scheme. A further 63 participated in 'Thrive' delivered by Creative HQ to support businesses having to make a significant pivot.

The City Recovery Fund enabled the Council to stimulate our economy and provide a strong events programme to support our hospitality, arts and culture sectors that were most affected by COVID-19 restrictions.

Events after lockdown

As New Zealand emerged from the 2020 COVID-19 lockdown Wellington needed to reignite the city's vibrancy. The city also had to ensure that any initiatives were resilient to alert levels changing across Aotearoa.

The events programme supported by the Council over the past year, see [pg X](#) for more, was supplemented by campaigns and events supported by WellingtonNZ.

The 'Love Local' campaign aimed to give Wellingtonians more reasons to get out and about and support businesses close to home.

The 'Wild Weekends' campaign aimed to motivate Kiwis to visit Wellington and was supported by events including: *Digital Nights Wellington – Van Gogh Alive*; Visa Wellington On a Plate; Beervana; the *World of WearableArt-Up Close* exhibition at Te Papa; Six60 concert; and the All Blacks at Sky Stadium.

Digital Nights Wellington – Van Gogh Alive, from 28 August till 30 October 2020, was particularly successful in providing the events industry and local businesses with welcome economic relief in a time of hardship. It featured the Dutch master's works projected onto shipping containers stacked three-high in a temporary outdoor gallery on Wellington's waterfront.

The experience employed more than 70 events crew, sold more than 40,000 tickets, and attracted more than 17,000 domestic tourists to Wellington.

Trans-Tasman bubble

The opening of quarantine-free travel between Wellington and Australia was a key milestone for the city's recovery.

Australia is Wellington's largest international visitor market, accounting for 37 percent of all international travellers in the year ending December 2019. Over the same period, Australians spent \$258 million in the regional economy, including \$201 million in Wellington city.

During the first month of the Trans-Tasman bubble, 19,000 travellers arrived in Wellington from Australia. While this was only 25 percent of the average visitation per month pre-COVID, the international spending on credit and debit cards in the city was high, at 60 percent of pre-COVID levels.

Looking forward

Unfortunately the period of freedom and visitors from Australia and some Pacific Islands was short-lived. Travel from New South Wales was suspended in June 2021, followed quickly by travel from Victoria and Northern Territories. Then on 24 July, all travel was suspended to and from Australia after a Delta outbreak continued to grow there.

Then New Zealand was put into Level 4 lockdown from 18 August to 31 August, due to a Delta outbreak that originated in Auckland. This was the first time that lockdown restrictions had been put in place in Wellington since the original outbreak. More information on the impact of this outbreak will form part of next year's Annual Report.

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 was a stand-out year for events. In the face of multiple challenges due to COVID-19 the Council organised or supported more than the full portfolio of planned events. New events – such as Capital Christmas, Welly Weekend, Classical On Cuba and more – were created to bring back central city vibrancy and were able to happen with no pandemic restrictions. We also re-imagined the Matariki festival for 2020 due to COVID-19, had a good year at our Experience Wellington venues, and created a strategy for arts, culture and creativity.

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 brief periods of Level 2 restrictions this year.

Although, Level 2 instances in the city were brief, each level change, along with the border restrictions, had an effect on this area of our services. For example, the World of Wearable Art show was cancelled, and all international artist residences were cancelled. However, for many areas the impact was less than expected. Community festivals were held, theatre resumed, New Zealand musicians toured and even some international exhibitions were able to be held.

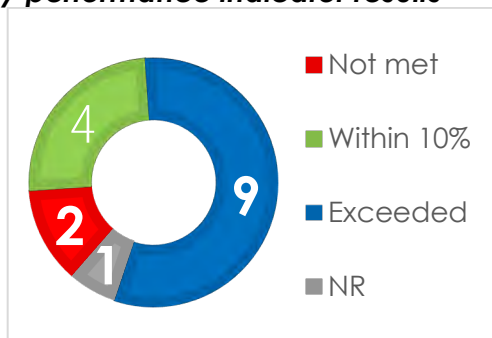
The Council also added a new priority the Arts and Culture Fund for applications to: support the resilience, sustainability and recovery of organisations in Wellington City; or re-frame and adapt projects, programmes and initiatives in the light of COVID-19; or develop new works to be presented later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

The Wellington Museums Trust (trading as Experience Wellington) drew on \$980,000 additional funding from Council to support the business in response to COVID-19 in 2020/21 and has indicated that Experience Wellington will require additional COVID-19 related financial support in the 2021/22 financial year.

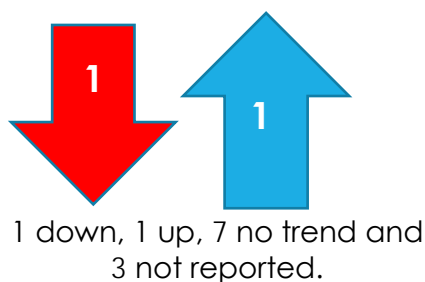
Performance Summary

This strategy area is responsible for delivering about seven percent of Council's performance measures.

Key performance indicator results



Outcome indicator trends



Wellington Museums Trust is one of our Council-controlled organisations that support cultural wellbeing and is responsible for delivering against nine of these KPIs.

Utilisation is a common performance indicator of our facilities and services in this area. Visitation numbers are significantly affected by the COVID-19 restrictions, including the physical visits to the Experience Wellington locations. It is encouraging to see that six of the revised performance targets were exceeded and only one was not achieved.

The majority of the outcome indicators in this area that had no trend relate to residents' perceptions, visitation and venues. Data was unavailable or significantly non-comparable because of COVID-19. For example, there were 2,140,000 fewer visitors to Te Papa during the year as the museum was closed due to COVID-19.

Highlights	Challenges
<p>86%</p> <p>attendees satisfied with Council-delivered arts and cultural festivals. This measure has increased 5% since 2018/19. This is reflective of the ability to hold a full summer programme in 2020/21 with little to no restrictions due to COVID-19.</p>	<p>405,941</p> <p>Total visitors to Museum Trust sites, down from over 770,000 pre COVID-19. This is due to closed borders and few international visitors. However, all but one site exceeded the revised target for the year.</p>

For the full set of outcome and key performance indicators and variance explanations, please see [pg X](#).

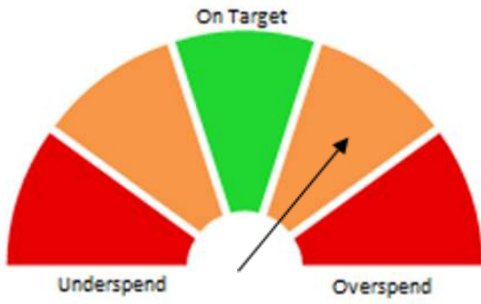
Financial summary

Overall operating expenditure was slightly over budget due to the under writing of Space Place.

Capital expenditure for this activity was under budget due to delays with the Bond Store upgrade with the plans for the Bond Store yet to be finalised.

For more details on the Cultural Wellbeing budget and variance explanations, see [pg X](#).

Net operating expenditure



Variance:
\$0.8m or 4%
overspend

Capital expenditure



Variance:
\$2.8m or 5%
underspend

Draft - subject to Audit

Oranga ahurea – Cultural wellbeing activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

4.1 Ngohe toi, ahurea hoki - Arts and cultural activities

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](#), including details of its board and governance structure.

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

Matariki ki Pōneke 2020

The City Events team quickly redeveloped the Matariki ki Pōneke 2020 Festival within the changing pandemic environment. The main event, Ahi Kā, was planned to be a two-night event, coinciding with the All Black vs Wales test match on 11 July 2020, with the Matariki Fireworks concluding the festival.

However, the border closures and Alert Level restrictions meant the festival had to be redesigned to be flexible in the new COVID-impacted world. This work started in April 2020 at Alert Level 4, and continued through all the level changes.

Changes included: developing a Matariki app with interactive content and education; curating a week-long Zoom programme interviewing leading Māori arts practitioners, educators and kaumātua; managing a regional Matariki website to promote exhibitions and events that were able to go ahead; and supporting the Mana Moana experience to move from a live event to an online 3D interactive website.

The overall festival was redesigned to have online, virtual and augmented reality, and modular real world components, such as projections and light installations, that could be activated/deactivated according to level restrictions.

When the country went into Alert Level 1 earlier than expected, it allowed the Ahi Kā and other festival event plans to swiftly open up to a live event including performances, kai and fire. This was successfully held on 24 and 25 July 2020.

Wellington Museum upgrade

Significant alteration and seismic strengthening including base isolation of the building was undertaken in the late 1990s. More recently, the Council has begun a project to further strengthen the building superstructure including investigations of its base isolation. During the year concept level engineering and architectural design for the building have been progressed. Further works are planned to achieve an optimal seismic strengthening scheme for the building in 2021/22.

Experience Wellington highlights

Experience Wellington delivered a diverse array of locally created content to more than 400,000 visitors with projects including:

- *Ngā Tohunga Whakatare – The Navigators*, at Space Place, telling the important story of Aotearoa's navigation history.
- *Mittens: Floofy & Famous*, at the Wellington Museum. The exhibition was viewed by over 20,000 visitors after the 2020 lockdown, all merchandise sold out, and it had a huge reach on social, national, and international media.
- Capital E's National Theatre for Children shows, *The Lost Letter Office* and *Seasons*, went on tour, each reaching about 6,000 tamariki.
- *Soundscapes*, at Capital E PlayHQ, attracted more than 7,700 visitors.
- *Oracles* exhibition at City Gallery discussed cultural identity, colonial consequences, and gender.
- In a celebration of what it means to be queer, the first Vogue Ball, the Aitu Ball, was hosted at City Gallery.

Aho Tini 2030 Arts, Culture & Creativity Strategy

Arts, culture and creativity are important to Wellingtonians and a lot has changed since the adoption of the Arts & Culture Strategy 2011. Councillors prioritised the development of a new strategy in 2020/21. Consultation was undertaken alongside the 2021-31 Long-term Plan. Close collaboration with the arts and creative sector informed the development of the draft Aho Tini 2030 Strategy and facilitated strong engagement during consultation.

Submitters talked about the value of arts, culture and creativity and its importance to the identity of Wellington. The arts and creative sector expressed strong willingness to work with Council to implement the Action Plan and bring Aho Tini 2030 to life in partnership with mana whenua and Māori.

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 Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
4.1 Arts and cultural activities					
Expenditure	22,478	22,028	21,449	579	Unfavourable due to the under-writing of Space Place.
Revenue	(639)	(532)	(776)	244	
Net Expenditure	21,839	21,496	20,673	823	

What it cost (capital expenditure \$000)




	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
4.1 Arts and cultural activities expenditure	23,536	52,669	55,958	58,787	(2,829)	Under budget on the Bond Store upgrade, with the plans yet to be finalised.
Total	23,536	52,669	55,958	58,787	(2,829)	

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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators

We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the 12 outcome indicators we monitor, one was trending in the desired direction, one had an adverse trend, two had no trend results and three were not able to be reported. For details see [pg X to X](#).

				Total	Commentary
4 Oranga ahurea - Cultural wellbeing	1	7	1	9 (and 3 NR)	Perceptions of Wellington having a rich and diverse arts scene continued to drop. However, New Zealanders perception of Wellington as the events capital of NZ 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 8 of this section, see [pg X to X](#). These pages 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	2	4	9	15 (and 1 NR)	The user satisfaction measure with Toi Pōneke has declined, but the sample size is too low to draw performance conclusions. The result for attendance at Council events was not measured during 2020/21. The Arts and Cultural grant outcomes exceeded targets as did visitation at 6 out of 7 Experience Wellington sites.
4 Oranga ahurea - Cultural wellbeing total	2	4	9	15 and 1 NR	15 out of 16 KPI results reported – one no result

Spotlight on: Restarting events after lockdown

COVID-19 lockdowns and restrictions increased the hunger for, and importance of, social and personal wellbeing through live events.

In 2020/21, Wellington lived up to its reputation as the Events Capital and managed to thrive with an increased programme that rode the waves of COVID levels and considerations.

The events sector had been, and continues to be, severely affected by the pandemic. In particular, key suppliers are struggling to survive a time of little to no income.

However, in 2020/21 Wellington City Council, our City Events team and the WellingtonNZ Major Events team worked closely with the sector to deliver, support, and facilitate above and beyond the usual portfolio of events.

Our challenge in 2020/21 was to re-imagine, re-design and create new events in response to the COVID pandemic. For example, re-thinking 'live' events as immersive online and safe physical experiences that included opportunities for the local community's participation and engagement.

By redesigning events in 2020/21 instead of cancelling, we not only supported local communities, artists and performers, we helped retain sector-critical contractors and suppliers for the long-term viability of the industry. We also created the City Recovery Fund with the intention of creating economic stimulus by creating new events.

New and expanded events

We expanded and created new events to provide more employment opportunities for local creatives, artists, and the wider sector.

New or expanded events included:

Love Local - Capital Christmas

We expanded our festive season programme to add vibrancy to central city retail hotspots. Instead of one weekend of activities, we held three weeks of street performances in multiple locations, had a Love Local pop-up gift shop in the central city, and a free 'shop-on shop-off' city loop bus on December weekends.

Welly weekend, including fireworks

With the uncertainty around COVID-19 restrictions, the 2020 Matariki fireworks show was postponed. This created the opportunity to form a new event, Welly Weekend, held on Wellington Anniversary weekend in January 2021. This included the Pasifika Festival, the postponed Matariki fireworks, and a whānau fun day with amusement rides, cardboard box land, aerial performances, food trucks and live music.

The Performance Arcade

The Performance Arcade celebrated its tenth birthday in 2021, with its largest programme to date. With significant financial and operational support from the Council, the WHAT IF THE CITY WAS A THEATRE? Programme expanded across the whole central city for seven weeks.

Some highlights included:

- **31** creative organisations working together
- **762** performers, plus technicians, designers, and arts workers
- **286** works presented across the city.
- **240,360** accidental/passing audience members exposed to a performance in their city
- **One** Tiktok video of a work went viral and reached 1.5 million people

Downtown Shakedown

We worked with the events and music industry to bring a new music event to Wellington on 5 December 2020. The Downtown Shakedown featured a top-level line-up of New Zealand artists, including L.A.B, Fat Freddy's Drop and Benee.

This was the first significant outdoor event to be held in Australasia in 2020 and the 10,000 tickets sold out in four weeks, with 46 percent purchased from outside the Wellington region. The event provided employment for 628 people and brought an estimated economic benefit of \$1.7m to the region.

Classical on Cuba

Classical on Cuba was a joint collaboration between CubaDupa and Orchestra Wellington following the cancellation of their festival dates and concerts in June 2020.

Involving 20 ensembles across 16 venues, the 2020 festival was a hugely successful event for Wellington. It sold more than 3,500 tickets and receiving an award for resilience at the Wellington Gold Awards.

The 2020 festival generated more than \$17,500, which was donated back to the hospitality sector. The resounding response to the new classical music festival has led to its return in 2021, thanks to funding from the City Recovery Fund.

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 alcohol and food licensing, and dog registrations.

We progressed several key projects during the year, including progressing plans for the Central Library strengthening and building a new sports and community hub in Johnsonville.

There were delays to projects in this year due to the impacts of COVID-19 on the supply chain and availability of skilled workers.

Continuing 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 brief periods of Level 2 restrictions this year.

The on-going pandemic continues to impact on this area in different ways. Some experienced an increase in demand due to the needs in the community, while others had restrictions and suffered a decrease in usage.

During Level 2 public facilities, such as swimming pools, libraries and community centres, had restrictions in the numbers able to be inside facilities. For example, swimming pools had double width lanes to allow for social distancing, reducing space for public swimming. This affected the usage of those facilities. However, this was minimal compared to the previous year as there were only brief periods of stricter restrictions in Wellington.

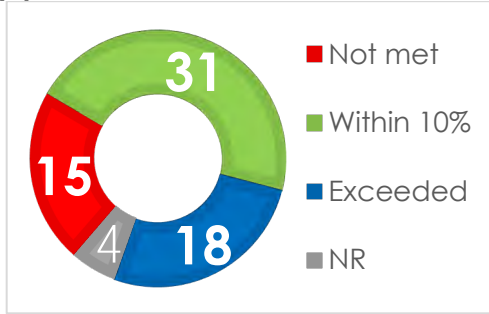
Programmed work on our facilities was delayed or had to be rescheduled. For example, the regular five-yearly maintenance on the Wellington Regional Aquatic Centre was delayed until 2021/22 because of the pandemic impacts on the supply chain that also delayed the re-opening of the main pool at Keith Spry in Johnsonville.

We continued to be in regular contact with our targeted housing tenant groups who were identified as particularly vulnerable or who requested regular contact during the stricter restrictions to confirm their wellbeing and understand any welfare/support needs at the Level 2 periods. We set up regular, ongoing calls too.

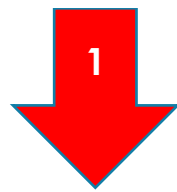
Performance Summary

This strategy area is responsible for delivering about 30 percent of Council's performance measures.

Key performance indicator results



Outcome indicator trends



1 down, 0 up, 16 no trend and 2 not reported.

Utilisation is a common performance indicator for the facilities and services in this area. All were significantly affected by COVID-19 restrictions as discussed above, 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 largely in line with previous results. The perception of Wellington offering a range of recreation activities was the only negative, and this result was consistent with last year.

Highlights	Challenges
<p>4,463</p> <p>users of Berhampore Golf course. This is a big increase from only 1,773 users in 2018/19. The reasons for the increase are good casual use of the course and the introduction of disc golf, which has proved very popular.</p>	<p>14 out of 25</p> <p>measures for utilisation of sportsfields, swimming pools, libraries and community centres and halls were not met for the year or below target. Some were impacted by COVID-19 restrictions, which are prohibitive, even in Level 2.</p>

For the full set of outcome and key performance indicators and variance explanations, please see [pg X](#).

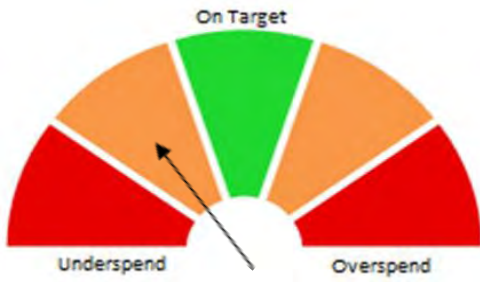
Financial summary

Lower facilities maintenance and depreciation costs have resulted in a favourable variance of three percent for budgeted expenditure. Revenues are also ahead of budget by \$3.5m, noting that budgets were reduced to recognise the likely impact of COVID-19. As a result, this activity had a net variance of nine percent under budget.

The capital expenditure programme experienced delays in the completion of some significant projects. This includes Basin Reserve upgrades, which is delayed due to the availability of contracted services, and the City Housing programme, which is on hold while the financial sustainability is addressed. These resulted in a 58 percent under spend.

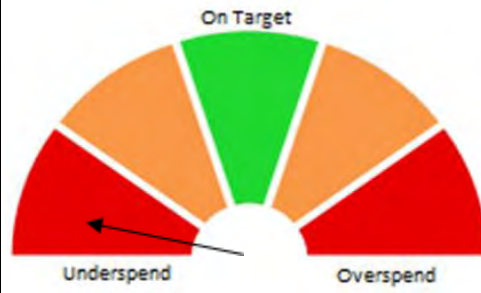
For more details on the Social and recreation budget and variance explanations, see [pg X](#).

Net operating expenditure



Variance:
\$8.1m or 9%
underspend

Capital expenditure



Variance:
\$23.7m or 58%
underspend

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Kaupapa pāpori me ngā mahi a rēhia – Social and recreation activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the three key groups of activities.

What we do:

5.1 Whakatairanga mahi ā rēhia – Recreation promotion and support

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

5.2 Tautoko hāpori – Community support

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.

5.3 Hauora/haumaru tūmatanui – Public health and safety

In this area we seek to address the city's public health and safety needs. This activity covers our public health regulatory functions, such as dog and animal control, and 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.

Some services for this activity are delivered the by 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

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

Central Library and CBD network

The CBD Library network was completed in July 2020 with the opening of Te Awe Library in Brandon St, and the Collection and Distribution Centre in Johnsonville. The network now consists of three facilities across the central city, along with the new distribution centre.

Public consultation took place on the options for the new Central Library in July and September 2020, with the Council opting to remediate the current building to the highest level of resilience in October 2020.

In April 2021, the service and design principles for the Central Library were adopted by Council, along with an agreement to extend levels 3 and 4 of the building, and to

progress sustainability initiatives within the building, with the aim of obtaining a 5-star green rating.

Te Matapihi ki te Ao Nui was adopted as the primary name for the Central Library, recognising the new form it will take through redevelopment of the building.

City Housing and rent setting changes

In 2020/21, Elected Members accepted City Housing's recommendation that until such time as the wider City Housing financial sustainable options were agreed, any changes to the current Social Housing Policy, including rent settings, should be put on hold. Officials will present a paper in October 2021 outlining various options and frameworks to establish a Community Housing Provider with access to the Income Related Rent Subsidy and a sustainable financing model to fund the Housing Upgrade Programme (Phase 2) and asset maintenance requirements.

We continued to work on several major projects to improve the services we provide to tenants and to meet our legislative requirements, including work to meet the Healthy Homes Guarantees Act. This work was undertaken alongside our day-to-day tenancy and asset management programmes and initiatives.

Te Mahana

This year we celebrated several successes as the term for Te Mahana came to a close. In recent months this includes a marked decrease in the numbers of people seen rough sleeping when we carry out our regular surveys. Other highlights included:

- Forming an Ending Homelessness Strategic Leaders Group in December 2020 to focus on systemic and sustained change to prevent and reduce homelessness. The partners are motivated to continue to address the complex challenges ahead.
- Supporting the opening of Te Pāpori by the Wellington City Mission and the expansion of the Wellington Homeless Women's Trust. This has significantly increased the transitional housing capacity in Wellington. The Wellington City Mission also teamed up with Gender Minorities Aotearoa to plan for the provision of transitional housing for our transgendered whānau.
- In June 2021, Kahunugunu Whānau Services launched the Māori led initiative Waka Ora, a mobile clinic supported by Council grants funding. It will take social and health services to those who need them most.
- Celebrating the continuation of our partnership with DCM through Council's approval of grants funding for the Assertive Outreach Service. This crucial service ensures that if members of our community are concerned about someone who may be homeless, they can notify us and our staff work with DCM to provide information, support and connection.

Sustainable Food Initiative

A draft Action Plan focusing on sustainable food systems is being developed, and will be considered by the Council in late 2021. We are currently incorporating Te Ao Māori throughout the Action Plan, and highlighting opportunities for Māori food sovereignty.

Community facilities update

Design plans have been finalised for the Aro Valley and Strathmore Community Centres and we proceeded to tender in July 2021. Both Centres are expected to be completed in the third quarter of the next financial year.

We have finalised the contract with the main builder for the Newtown Community Centre upgrade and the project is expected to be completed in the fourth quarter of the next financial year.

We are working with the Karori Events Trust and Footnote to progress the completion and fitout of the Karori Event Centre building

Alex Moore Park sports and community hub

In March 2021, we celebrated the opening of Waiora, Wellington's newest Sport and Community Hub at Alex Moore Park in Johnsonville. The hub provides people across several sporting codes with modern, accessible and high-quality facilities.

The project is a partnership between Wellington City Council and Alex Moore Sport and Community Incorporated (AMPSCI), with five local clubs working together in a cost sharing operating model. The total project cost was \$4.2m, with the incorporated society contributing \$2m. The building is owned by the Council and managed by AMPSCI, who hold a long-term lease for the first-floor facilities.

The Hub was gifted the name Waiora, meaning water of life, following engagement with iwi partner Ngāti Toa. The name is a reference to the main local stream which was used for the provision of kai and spiritual sustenance.

Newlands Park development

The \$3.6m upgrade was undertaken in phases, initially beginning in early 2020, and then progressed later in 2020. The park opened in July 2021. The budget included \$1.54m from Plimmer Trust and an additional \$600k was prioritised from existing playground and public toilet budgets.

The revamped park includes two new play areas, an all-weather artificial surface for informal sports and line marked for kī-o-rahi, a basketball half-court, a boardwalk with a small wetland area, a nature play trail, a revamped skate area, a pump track, picnic and BBQ areas, new public toilets, and improved pedestrian and vehicle access and parking facilities.

In February 2021, the park was gifted the name Pukehuia which translates as 'hill of the huia bird'. Huia were once prolific in the area, and Pukehuia, was previously used to describe the area now known as Newlands.

Frank Kitts Park playground upgrade

Following a due diligence design review and successful tendering process, a contractor was formally engaged for design and construction. While the design review has given us the assurance that the playground upgrade will meet the budget, the time taken to review meant the window for construction moved to 2021/22. Construction is scheduled to start in January 2022 and be completed by September 2022.

Cemeteries Management Plan

This year we reviewed our strategic management plan for Tawa, Karori and Mākara cemeteries. With Karori Cemetery almost at capacity and Mākara Cemetery predicted to reach capacity between 2038 and 2047, the review aimed to ensure we continue to meet the city's short and long-term cemetery needs. During 2020/21, we engaged with cemetery users and the community through informal pre-consultation and formal consultation on the draft plan.

The new plan, approved in June 2021, sets out a vision, key values, goals, objectives and policies for all the cemeteries; followed by policies specific to each cemetery. The focus over the next several years will be on long-term planning – to provide adequate cemetery capacity in the future and to assess the priorities for managing the heritage and landscapes.

Swimming pool renewals and upgrades

The upgrade to Keith Spry Pool began in September 2020 and is scheduled to be completed in December 2021. Unfortunately, the project was delayed due to COVID-19 border restrictions affecting the availability of the structural steel needed to improve the building's resilience to 70 percent of NBS.

The upgrade to the staff area was completed in December 2020. We will complete the earthquake strengthening, skylight renewals, installation of acoustic ceiling and maintenance work to the main pool in August 2021. This work has been delayed by five months. The final stage of the project is expected to be completed by December 2021.

The facility remained open during the upgrade, but the main pool closed in December 2020 so work in that area could be completed. It will also re-open in August 2021. During the upgrade, Thorndon Pool remained open with reduced hours, and SwimWell lessons were held at Tawa Pool.

The planned five-year closure for the main pool at the Wellington Regional Aquatic Centre was delayed until 2021/22 because of the Keith Spry Pool delays and supply chain issues.

Basin Reserve Master Plan

The Museum Stand upgrade was completed in June 2020. In 2020/21 we upgraded the changing rooms in the RA Vance Stand and continued with improvements to the northern entrance of the ground. Planning and design for additional media facilities and upgrades to the embankment toilets were completed during the year. Construction of these facilities will be completed during 2021/22, in time for the ICC Women's Cricket World Cup which will be hosted in early 2022.

Play Days

Between December 2020 and March 2021, we ran seven family 'Play Days' across the city including in the Newtown City Housing Complex, at the Linden Community Centre and our first Play Street event on Jeypore Street in Berhampore. Funded by Nuku Ora (Sport Wellington) via the Tū Manawa Activation Fund, these events attracted more than 2000 children and families who participated in several free play activities and learnt about the benefits of play. Each event was delivered in partnership with local community organisations. Feedback was overwhelmingly positive, with communities seeing these

events as a way to reconnect and celebrate after the COVID lockdown and challenges of 2020.

Additional libraries update

Te Awe library, the largest of the new CBD branches, opened in July 2020. It has quickly become a popular central destination with 336,685 visitors for the year. Feedback from visitors has been very positive, with over 92 percent rating their visitor experience favourably. A wide range of events for both adults and children have been held in this welcoming space, including pre-school story-times, LEGO learning and holiday programmes, movie nights, author discussions, and other special talks such as that by Dr Carwyn Jones on the future of Te Tiriti.

Alcohol and food premises licences

The number of current alcohol licences has dropped slightly during the year, but registered food sites remain the same. Some premises have closed post-COVID, however many have then been taken over by new operators. Verification targets for food premises were not met due to the backlog created during COVID and later COVID level changes where face to face inspections were suspended.

Dog control

There was a total gain of 841 registered dogs, after deactivated dogs are considered, such as deceased dogs or dogs leaving Wellington. The highlights of the year include the upgrade to the Moa Point Shelter Kennels and the introduction of the One Tag for the 2021/2022 registration year. Benefits from the One Tag are environmental (less plastic) and improved administrative efficiency.

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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 Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
5.1 Recreation promotion and support					
Expenditure	42,337	44,706	45,629	(923)	Favourable largely due to operational changes with regards to the closure of Keith Spry pool for scheduled maintenance and favourable internal charges relating to the ASB Sports Centre.
Revenue	(9,193)	(12,112)	(9,348)	(2,764)	Favourable with higher than expected revenue noting budgets were reduced to recognise the likely impact of COVID-19.
Net Expenditure	33,144	32,594	36,281	(3,687)	
5.2 Community support					
Expenditure	66,214	66,962	70,354	(3,392)	Favourable predominantly due to lower than budgeted spend in the FM and depreciation space.
Revenue	(27,204)	(26,734)	(27,109)	375	
Net Expenditure	39,010	40,228	43,245	(3,017)	
5.3 Public health and safety					
Expenditure	17,496	18,152	18,435	(283)	
Revenue	(4,469)	(4,406)	(3,329)	(1,077)	Favourable with higher than expected revenue noting budgets were reduced to recognise the likely impact of COVID-19.
Net Expenditure	13,027	13,746	15,106	(1,360)	
Social and Recreation Total					
Expenditure	126,047	129,820	134,418	(4,598)	
Revenue	(40,865)	(43,252)	(39,786)	(3,466)	
Net Expenditure	85,181	86,568	94,632	(8,064)	

What it cost (capital expenditure \$000)

	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
5.1 Recreation promotion and support	14,899	10,571	5,915	12,197	(6,282)	This project has been impacted by the availability of contracted services for the Basin Reserve upgrade project which is now due to be completed in 2021/22.
5.2 Community support	13,976	19,175	6,206	22,398	(16,192)	There have been delays in expenditure in housing renewals and upgrades which are pending the review to address the financial sustainability of City Housing. There are also delays in the Community Halls upgrade projects.
5.3 Public health and safety	2,776	3,309	4,696	5,911	(1,215)	Under budget mainly in the Alex Moore Park project.
Social and Recreation Total	31,651	33,055	16,817	40,506	(23,689)	




Draft - subject to audit

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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators




We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the 19 outcome indicators we monitor, one had an adverse trend, 16 had no trend results and two were not able to be reported. For details see [pg X to X](#).

				Total	Commentary
5. Kaupapa pāpori me ngā mahi a rēhia Social and recreation	1	16	0	17 (and 2 NR)	Almost three quarters (74%) of respondents agreed that Wellington offers a wide range of recreational activities. Less than one in 10 disagreed with this statement. Agreement with this statement has trended down over the last few years with 85% agreeing back in 2017. However, there was no real change compared to 2020.

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 8 of this section, see [pg X to X](#). These pages 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	9	16	11	36	Utilisation results account for all but one of the exceptions in this activity area. The perception of affordability of pool admission was reasonably steady, but below target.
5.2 Community Support	5	11	6	22	Libraries and customers had to adapt quickly to the changing alert levels in 2020/21. Increased emphasis on delivery of online services saw good and bad results. The target for attendees at

	 Not met	 Within 10%	 Exceeded	Total	Commentary
				(and 1 NR)	library programmes was removed to allow a new baseline to be established. Occupancy rates for community centres continues to decline.
5.3 Public health and safety	1	4	1	6 (and 3 NR)	Premise inspections continue to be impacted by changes to COVID-19 level restrictions. Graffiti removal response is benefitting from strong community relationships. A change to the contract for toilet services has meant reporting against the target is not available for these two measures.
5 Kaupapa pāpori me ngā mahi a rēhia Social and recreation total	15	31	18	64 and 4 NR	64 out of 68 KPI results reported – four no result

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Spotlight on – The Pōneke Promise

Everyone should feel accepted, understood, and safe in Wellington. And no more so than in our central city. We want a CBD and city that is vibrant, inclusive, and compassionate.

In March 2021, the Council joined forces with Police, Greater Wellington Regional Council, and the city's hospitality and retail sectors to sign up to The Pōneke Promise – a new social contract for Wellington. This means pledging support for actions which will collectively deliver a safer, more vibrant, and compassionate city.

The social contract asks everyone to commit to taking collective action to address the safety issues in Wellington's central city during the day and at night.

Cities around New Zealand and the world are facing the same challenges, including an increase in anti-social behaviour, social isolation, and a strong drive to make cities safe places for women and diverse communities.

The Pōneke Promise commitments

Wellington City Council has committed to:

- opening up a community base in an empty shop in the Opera House, to provide a presence for community partners, including social agencies, in the central city
- immediately increasing funding for Take 10 by \$95,000 – to continue to provide a late-night safe zone in Courtenay Place on Friday and Saturday nights
- bringing forward the conversion of street lighting in Courtenay Place to LEDs, which can be altered for brightness, from 2026 to next financial year
- improving the design and location of the Te Aro park toilets.

Wellington's hospitality industry is:

- introducing a code of conduct for patrons and operators
- employing security liaison staff to work alongside door people at the city's bars and restaurants
- working on a blanket trespass notice that may see some people banned from all licensed venues in the Te Aro area.

Wellington Police fully support the social contract and will be:

- proactively monitoring the liquor ban in the central city
- educating Wellingtonians about Alcohol-Free zones and what they mean.

Greater Wellington Regional Council is committed to:

- reviewing the full range of public transport night services.

What has the Council progressed?

In May we opened Te Wāhi Āwhina on Manners St, opposite Te Aro Park. Since then, more than 30 service providers and organisations have been engaged with, or based in, Te Wāhi Āwhina to provide information or services including housing, food and welfare provisions. These include Māori Wardens, Pasifika Patrollers, WINZ, Hāpai Ake, NZ Police,

Age Concern, Community Law, City Mission, Local Hosts, Salvation Army and Council staff.

Through the 2021-31 Long-term Plan, we increased the funding for Take 10 and budgeted for the LED streetlight conversions in 2021/22.

In April and May, we trialled the installation of a taxi stand on Courtenay Place to improve the flow of public transport through the area and provide a safer place for taxis and ride shares to wait for customers. This received positive feedback and was permanently implemented from 1 July 2021.

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6 Tāone tupu ora – Urban development

This chapter explains what we did and how we performed in our Tāone tupu ora – Urban development portfolio of activities.

Overview of the year

Our services include urban planning, heritage and public spaces development, and building and development control.

We adopted the city's draft Spatial Plan that outlines how and where the city will grow, continued with strengthening of the Town Hall, and carried out our regulatory building and development control functions.

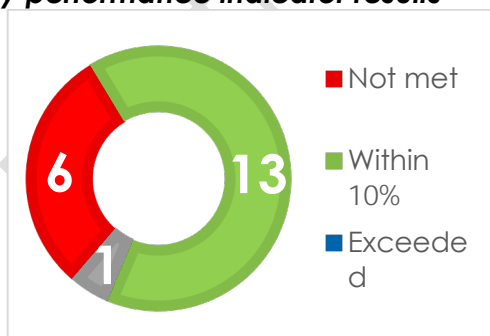
Continuing impact of COVID-19

The continuing COVID-19 pandemic had little to no impact on this area of the Council in the 2020/21 financial year.

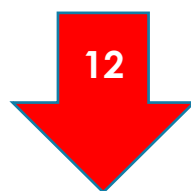
- We proceeded with the consultation on the Draft Spatial Plan, which was delayed from 2019/20 due to the Alert Level 4 lockdown. The final plan was then adopted in June 2021.
- We proceeded with adopting the proposed resource and building consent fee increases for the 2021/22 year as part of the 2021-31 Long term Plan. This included the increase for 2020/21, which was delayed a year as part of the Pandemic Response and Recovery Plan.
- We continued to offer 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.

Performance Summary

Key performance indicator results



Outcome indicator trends



12 down, 0 up, 19 no trend and 3 not reported.

This strategy area is responsible for delivering nine percent of Council's performance measures.

It continued to be challenging to achieve the timeliness targets in our consenting and compliance service delivery area. We have also experienced a further decline in two areas: residents' satisfaction with retaining and valuing heritage items; and finding the right balance between allowing development and preserving the character of the city.

Out of the 10 outcome indicators that have negative trends, two relate to measures about the affordability of housing and seven to residents' perception of the city. Of the 21 with no trend or data that is not available, the majority are measures that show a degree of variability during 2019/20 due to COVID-19 and the current year values are not stable enough to determine a trend.

Highlights	Challenges
<p>95%</p> <p>Building consents (%) issued within 20 workings days has greatly improved from 79% last year, overcoming the process challenges.</p>	<p>6 out of 7</p> <p>measures on the timeliness of our consenting and compliance activities were either not met or below target this year. There continues to be increased numbers of applications in this area along with staff and industry technical services shortages, which affects the timeframes.</p>

For the full set of outcome and key performance indicators and variance explanations, please see [pg X](#).

Financial summary

Operating expenditure was over budget, largely due to increased cost of the District Plan programme. However, revenue was ahead of budget, noting that budgets were reduced to recognise the likely impact of COVID-19. As a result, the overall variance in net expenditure was minimal.

Capital expenditure for this activity was under budget largely due to underspends on the Housing Investment programme, Laneways and North Lambton Quay project (part of the Central City Framework), which will be aligned with the LGWM Golden Mile workstream. This was partially offset by overspends in the St James Theatre and Town Hall earthquake strengthening projects. Note: the budget for St James Theatre is over two areas, with the other being 3.1 in Economic development. Overall the project is under spent for the year.

For more details on the Urban Development budget and variance explanations, see [pg X](#).

Net operating expenditure



Capital expenditure



Tāone tupu ora – Urban development activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

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

In this area, we deliver on the vision for Wellington as a net zero carbon city with streets made for people, high-quality affordable homes, and thriving businesses. As the population grows and challenges around seismic risk and climate change increase, we are planning for the city we need. We also want to build on the city's unique character and increase density, protect heritage, and improve its resilience. We carry out strategic planning and public space improvements to contribute to achieving these goals.

6.2 Whakahaere hanga whare – Building and development control

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

Key projects

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

Planning for Growth

Councillors approved 'He Mahere Mokowā mō Pōneke – Our City Tomorrow' a Spatial Plan for Wellington City on 24 June 2021. This non-statutory growth plan provides for an additional 50,000 to 80,000 more residents in the city over the next 30 years.

The Spatial Plan is the guiding strategy for future strategic infrastructure investment and the full review of the District Plan – the rulebook for development in the City. A non-statutory draft District Plan will be released in November 2021 for public feedback, and the statutory Proposed District Plan will be notified in mid-2022 for formal submissions.

More information on this key project is included in the feature article at the end of this chapter, [pg X](#).

Te Ngākau Civic Precinct

Te Ngākau Civic Square is the musical, creative, and democratic heart of Wellington, but it has significant resilience challenges. This year Council developed a Framework for Te Ngākau Civic Precinct to guide the future development across the precinct as it goes through significant change as major work programmes progress, including the Town Hall, Te Matapihi and the future of the Municipal Office and Civic Administration buildings. The Framework was approved by Council, subject to public consultation which took place in May and June 2021. The Council has committed to returning the main Council premises to the square as part of its redevelopment.

Town Hall/National Music Centre

This year, we advanced the construction work on the redevelopment and restoration of the Town Hall. This complex construction project involves retro-fitting a base-isolation system into a heritage building. New piles have been completed in 70 percent of the building, with the auditorium piles that make up the remainder to be installed in late 2022. We have installed 45 base isolators out of 167. Major concrete pours have been completed in 30 percent of the basement. Overall, the work is 30 percent complete.

The Town Hall will be the home of the National Music Centre. Options to incorporate the Municipal Office Building as part of the Centre were clarified, but the cost to strengthen and upgrade the building for this purpose were prohibitive and alternative options are being explored.

North Kumutoto waterfront space (Site 9)

Resource consent has been issued and construction of the new building is underway, with completion by mid-2022. The Council is finalising the landscape design and procurement to complete the North Kumutoto landscaping around the building.

Earthquake prone buildings (EPB)

The Council's focus is shifting in anticipation of more regulatory action because of an upcoming spike in expired EPB notices. Within the next four years, 36 earthquake-prone notices will expire. In 2025, 42 notices will expire, followed by 36 in 2026. In 2027, the number of notices expiring grows exponentially, with 237 in that year alone.

During 2020/21, officers commenced engagement with owners of EPBs to determine the current status of work and obtain a detailed understanding of the underlying drivers, incentives, and disincentives for owners. It is intended to present this analysis to Pūroro Waihangā Infrastructure Committee late in 2021.

Wellington also has several earthquake-prone heritage-listed buildings. In 2020/21, 14 applications were funded through the Built Heritage Incentive Fund; total funding of \$389,500. The average grant size was \$29,269 – largest: \$120,000, smallest: \$3,000.

Laneway upgrades

This year, the design for the Swan Lane and Garrett Street upgrade has been completed and the project will proceed in the 2021/22 year. Alongside this, officers have been working on a laneways priority assessment to look at the city's laneways programme. This will help Council prioritise laneway investment in the city in the years to come.

Regulatory functions for the built environment

This year we continued to receive high numbers of people accessing our regulatory functions. This included:

- About 15 percent more applications than usual for resource consents
- Similar to pre-COVID levels of building consents
- An all-time high of LIM requests – 3,244 which is an increase of about 25 percent from the previous year.

Over the past year, the team was down by five FTEs at one stage. This was due to an extremely tight employment market of people qualified in this area. All vacancies have now been filled. The vacancies, together with more than 400 applications than in the

previous year and about a 40 percent increase in pre-applications, resulted in a very busy year for the team and resulted in applications exceed statutory timeframes.

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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 Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
6.1 Urban planning, heritage and public spaces development					
Expenditure	10,979	13,320	11,031	2,289	Unfavourable due to higher than planned District Plan programme costs and Heritage grants. These are in part offset by lower costs in the Strategic Housing Investment Programme.
Revenue	(73)	(564)	(1,031)	467	
Net Expenditure	10,906	12,756	10,000	2,756	
6.2 Building and development control					
Expenditure	25,552	27,188	27,274	(86)	Favourable in Building Consents by \$3.5m and in Resource Consents by \$0.6m noting budgets were reduced to recognise the likely impact of COVID-19. Volumes are on a par with last year.
Revenue	(11,990)	(14,229)	(10,118)	(4,111)	
Net Expenditure	13,562	12,959	17,156	(4,197)	
Urban Development Total					
Expenditure	36,531	40,508	38,305	2,203	
Revenue	(12,063)	(14,793)	(11,149)	(3,644)	
Net Expenditure	24,468	25,715	27,156	(1,441)	

What it cost (capital expenditure \$000)

	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
6.1 Urban planning, heritage and public spaces development	3,250	4,612	2,632	17,486	(14,854)	There have been delays in expenditure with the housing investment programme. Part of the North Lambton Quay project (part of the Central City Framework) is being reprioritised and aligned with the LGWM Golden Mile work stream.
6.2 Building and development control	22,349	41,970	41,410	36,442	4,968	Additional expenditure incurred on earthquake strengthening for the St James theatre than anticipated. The budget for St James is split over two strategies and overall cost of the project is under spent for the year.
Urban development total	25,599	46,582	44,042	53,928	(9,886)	




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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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators




We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the 34 outcome indicators we monitor, twelve had adverse trends, 19 had no trend results and three were not able to be reported. For details see [pg X to X](#).

				Total	Commentary
6 Tāone tupu ora - Urban development	12	19	0	31 (and 3 NR)	Housing affordability continued to slide, with 2021 house prices increasing by 27% on June 2020. Resident's perception of the city across 12 measures declined across the board – areas that also feature in the planning for our city's future - resilience, heritage, safety, ease of use and enjoyment.

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 8 of this section, see [pg X to X](#). These pages include data for the last 3 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
6.1 Urban planning, heritage and public spaces development	3	5		8 (and 1 NR)	No urban regeneration project impact reports were delivered within the reporting period. All three not met results were from residents' perceptions of development and heritage protection.
6.2 Building and development control	3	8		11	Timeliness measures for LIMs and resource consents were significantly below target, along with a drop in residents' perception of balance in city development.

	 Not met	 Within 10%	 Exceeded	Total	Commentary
6 Tāone tupu ora – Urban development total	6	13	0	19	19 out of 20 KPI results reported – one no result

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Spotlight on – Adoption of the Spatial Plan

The Spatial Plan sets the vision for where and how the city will accommodate 50,000-80,000 more people over the next 30 years.

On 24 June this year, the Mayor and Councillors approved Our City Tomorrow: A Spatial Plan for Wellington City. It is a key component of the Council's Planning for Growth programme.

Wellington City Council was the first local government authority in the country to 'give effect' to the National Policy Statement on Urban Development (NPS-UD), when the Draft Spatial Plan was released for public engagement in August last year.

The NPS-UD requires councils to have policies and rules that encourage intensification in and around the central city, near rail stops, and major suburban centres such as Johnsonville. In addition to this, the Spatial Plan also enables a lot more intensification in and around our suburban centres through increased apartment living and medium density housing.

We received close to 3,000 submissions on the Spatial Plan. Many of the submissions supported our approach to intensification, while others were concerned about the level of change that would occur in their suburbs.

The Spatial Plan represents a bold new vision for how the city will grow over the next 30 years. These changes will result in transformative change for an overheated housing market with limited supply.

It is now directing our review of the District Plan, which is the rulebook that guides development. It includes changes to height limits and density to enable more quality housing, while protecting cultural and historical heritage, providing plenty of green space, and creating opportunities for business growth. We are following up quickly with the release of a non-statutory Draft District Plan in late 2021 and a notified Proposed District Plan (statutory) in mid-2022.

This year the Mayor and Councillors also signed-off the 2021-2031 Long-term Plan. This has signalled significant levels of investment in our three waters and cycleway networks, and alongside Let's Get Wellington Moving, will move the focus away from private vehicle use to more walking, cycling and public transport use.

This investment, combined with the Spatial and District Plan changes, sets the strategic direction for changing the way that we live and move around to create the city we need and that Wellingtonians have told us they want – a net zero carbon capital that is compact, green, vibrant and prosperous, inclusive and connected and with strong mana whenua partnerships.

Key Spatial Plan policies

Central City

1. The Central City is a large mixed-use commercial, office, entertainment, and residential zone:

- a. A large part of this zone (called Te Aro) will have increased building heights from 27 metres to at least 10 stories. The remaining parts of the central city will remain consistent with current maximum height limits.
- b. This will support regeneration and intensification alongside investment by LGWM in mass transit.
- c. The introduction of a minimum building height of six stories.

Inner Suburbs

2. Most of the current character controls will be removed in the new District Plan, with only 36 percent or 2,000 out of an existing total of 5,500 dwellings remaining protected.
3. This opens up many development opportunities, with 4,700 inner city properties within 15 minutes walking distance of the central city that could be redeveloped to at least six storeys.

Outer Suburbs

4. Development will be enabled to at least six storeys within 10 minutes walking distance of a rail stop along the Johnsonville and Kapiti Lines (Crofton Downs, Ngaio, Khandallah and Johnsonville; and Takapu, Redwood, Tawa and Linden stations).
5. In the rest of our suburban areas the Council will be allowing heights of six storeys in the suburban centres, and all main centres will be surrounded by medium density areas which will enable development up to three to six storeys.

Parking

6. The NPS-UD has required us to remove on-site carparking requirements from the District Plan – this is now in force. It will enable more infill development, particularly where sites are constrained by topography.

7 Waka – Transport

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

Overview of the year

Our transport services include everything from looking after traffic lights and road and footpath resurfacing to building new cycleways and shared paths and increasing safety on our streets for all users. We also operate on-street parking and enforcement across the city and the suburbs and operate the Clifton Terrace carpark on behalf of Waka Kotahi NZTA.

During the year we began the stabilisation and repairs at the Ngaio Gorge slip sites, completed the resilience work from Wadestown to the city, continued to work on Let's Get Wellington Moving with our partner agencies, completed key cycleways around the coast including Cobham Drive, and maintained our extensive transport network, cycleways and footpaths.

Continuing impact of COVID-19

The following section 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 brief periods of Level 2 restrictions this year.

Physical works delivering transport projects advanced well during the year, but there were some minor delays due to the COVID-19 effect on the supply chain. For example:

- the Wadestown Route Resilience Enhancements were delayed by two months because of a shortage of asphalt supply; and
- there were minor delays to the Ngaio Gorge Slip Stabilisation project, but that is now back on schedule.

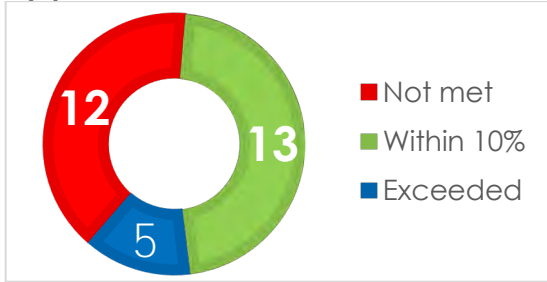
Parking fee increases proposed for this year were delayed as part of the Pandemic Response and Recovery Plan. Increases to all parking fees were adopted for 2021/22 as part of the 2021-31 Long-term Plan.

The cessation of cruise ships visiting Wellington in response to COVID-19 and our closed borders had a significant impact on passenger numbers at Wellington Cable Car and its financial viability. Council has needed to provide ongoing financial support to the company and this is likely to continue while New Zealand's borders remain closed to international travellers.

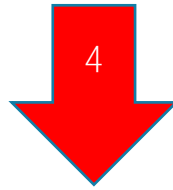
Performance Summary

This strategy area is responsible for delivering about 13 percent of Council's performance measures.

Key performance indicator results



Outcome indicator trends



4 down, 0 up, 18 no trend and 0 not reported.

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 a direct effect on parking occupancy, with more people choosing to work from home, and reduced utilisation of the Cable Car.

Most of the outcome indicators showed no discernible trend, none showed an improving trend and four had a declining trend. The residents' monitoring survey results make up all those with negative trends.

Highlights	Challenges
<p>2,900 and 13,910</p> <p>for the numbers of cyclists and pedestrians, respectively, entering and leaving the CBD between 7am and 9am. These measures exceeded targets this year and are above or near pre-COVID-19 levels.</p>	<p>8 out of 9</p> <p>Residents' satisfaction measures in our transport area are not met, with measures including satisfaction with street lighting, the condition of the network, parking availability, peak travel times and with our active modes network.</p>

For the full set of outcome and key performance indicators and variance explanations, please see [pg X](#).

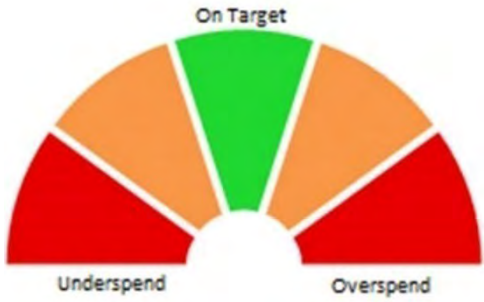
Financial summary

Operating expenditure for the Transport activity area was underspent by 7 percent largely due to delays in contract costs associated with LGWM, lower depreciation and road maintenance costs, lower than budgeted personnel, professional and general expenses. Revenue was ahead of budget by 19 percent due to vested asset income and higher than planned pedestrian, bus shelter and bollard advertising revenue. Budgets in this area were reduced to recognise the likely effect of COVID-19, which was less than anticipated. This means that this activity had a net variance of \$13.6m or 24 percent under budget.

Capital expenditure for this activity was under budget on several projects. There has been minimal spend on LGWM projects and lower expenditure on the LED Streetlights and Wall, Bridge and Tunnels programmes.

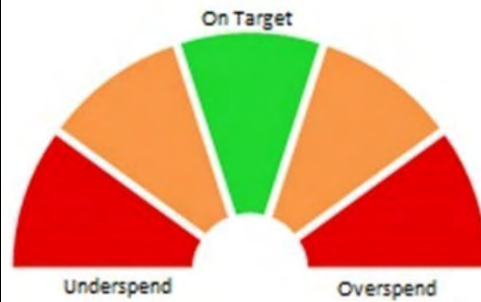
For more details on the Transport budget and variance explanations, see [pg X](#).

Net operating expenditure



Variance:
\$13.6m or 24%
underspend

Capital expenditure



Variance:
\$32.5m or 37%
underspend

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Waka – Transport activities

This section outlines some of the projects and programmes we have undertaken this year. It also provides detailed financial and non-financial performance information for the two key groups of activities.

What we do:

7.1 Waka – Transport

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 areas, 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](#), including details of its board and governance structure.

7.2 Tūnga waka – Parking

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 Terrace Car Park, 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 or programmes

The following section outlines how we performed this year on the key projects or programmes that were identified in the 2020/21 Annual Plan as being areas of focus.

Let's Get Wellington Moving

The partnership board of Let's Get Wellington Moving (LGWM) initiated a health check which resulted in a reset for the programme. This recommended changes to governance and management, people and culture, and systems and processes. These are continuing to be implemented.

A three-year work programme has been developed that includes lowering speeds in the central city, developing a preferred option for Golden Mile improvements and consulting on improvements to Thorndon Quay and Hutt Rd. LGWM developed improvements for 17 intersections in the central city and prepared to consult on speed reductions on SH1 east of Mt Victoria and a safe Cobham Drive crossing. Construction of these two projects is likely to start in 2021/22, depending on decisions made after consultation is complete.

Longer-term planning work included completing a technical assessment on options for Mass Rapid Transit (MRT), Basin Reserve and an extra Mt Victoria tunnel, preparing Indicative Business Cases for City Streets (bus, walking and cycling improvements), and for travel demand management.

LGWM spent \$24.8m in the 2020/21 year, a budget underspend of \$15.8m. The Council is responsible for funding 20 percent of the budget. The underspend was a timing issue only and based largely on delays related to the health check.

Cycleways

The number of Wellingtonians commuting by bike continues to grow with the latest data showing more people riding into the central city during the busy morning peak. Weekly totals from several key intersections are up, and in some cases, are the highest to date. For example at the counting point at the intersection of Cobham Dr, Evans Bay Pde and Wellington Rd:

- 648 people biked past this point between 7am–9am on a Tuesday in 2020/21, compared with 423 in the previous year; and
- the 2,439 weekday total over the two-hour commute period at this point was the highest ever, 44 percent up on the previous highest total of 1693 recorded in 2017.

The improvements for people walking and biking along Cobham Dr were completed in March 2021, with the blessing and ribbon-cutting held on 15 March. This work included new paths, landscaping and planting, and 430m of new rock revetment to protect the coastline.

Construction continued on Stage 1 of the new walking and biking paths on Evans Bay Pde, between Oriental Bay and Greta Point. In May 2021, construction started on the new shared path between Shelly Bay Rd and Miramar town centre.

Karori and Marsden Village speed limits

A 30km/hr speed restriction was introduced in both the Karori and Marsden Village shopping centres as a continuation of Council's commitment to lowering speeds in town centres across the city. Lowering speeds in town centres is key to improving safety for vulnerable road users in areas where there is a high level of activity and conflicts. Implementation was completed in December 2020.

Ngaio Gorge slip stabilisation

The project is progressing well, but COVID-19 lockdowns in Auckland and Wellington caused minor delays to the project. It is currently back on time and budget with the planned progress for 2020/21 having been achieved. This includes completion of the first retaining wall with significant piling works to strengthen it. Read more about this key project in our feature on [pg X](#).

Wadestown Route Resilience Enhancement

The project to strengthen retaining walls on the key Wadestown roads had progressed on time, but completion was delayed due to the shortage of asphalt supply. COVID-19 lockdowns in Auckland and Wellington added to the delays in completing the site works. The project was completed within budget, but with a two-month delay.

First year of new Parking Policy

Since the Parking Policy was adopted in 2020, the Council has focused on developing operational guidelines to support decision-making, such as guidelines for mobility parking spaces, car sharing, and for new residents' parking schemes. Officers have also reviewed the current traffic bylaw and the parking permits issued across the city to ensure alignment with the new Parking Policy. The new Traffic and Parking Bylaw was adopted by Council in

August 2021. New permit types are being created with associated eligibility and use criteria.

Trialling the use of cashless parking meters

During the 2019/20 year the Council began a trial of cashless meters. Ten were located at selected locations across the city. The trial was extended into the 2020/21 year due to COVID-19 restrictions, but is now complete. The results showed customers made significant use of the cashless option and the percentage of cashless vs cash transactions increased. We have now installed 36 more cashless meters across the city, while still maintaining a cash option in close proximity.

Cable Car

Wellington Cable Car Ltd remains one of our city's top attractions according to TripAdvisor. This year, despite the absence of international visitors to the capital city, the return trip from Lambton Quay to Kelburn, remained popular with our domestic visitors. The trip is also a popular commuter journey. However, the Cable Car was significantly affected by the lack of cruise ships and international tourists. The company is using several new and creative initiatives to attract more passengers.

Transport network programmes and improvements

We made several network improvements, including:

- started an accessibility working group;
- installed 20 new bus shelters;
- completed 94 percent of our planned maintenance & renewal programme for footpaths, roads, cyclepaths, and bridges;
- strengthened and/or renewed 15 sea walls and retaining walls, built 6 new walls, and renewed and/or strengthened 3 bridges;
- completed 25 minor safety projects;
- introduced a new operator to the Kiwi Point Quarry and have started concrete recycling; and
- responded to more than 40,000 customer enquiries and requests.

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 Volume 2: Financial Statements.

What it cost (operating expenditure \$000)

	2019/20 Actual	2020/21 Actual	2020/21 Budget	2020/21 Variance	Variance commentary
7.1 Waka – Transport					
Expenditure	64,212	72,852	78,319	(5,467)	Favourable through delays in contract costs tied with LGWM, lower depreciation and road maintenance costs.
Revenue	(11,789)	(13,857)	(9,427)	(4,430)	Favourable due to vested asset income and higher than planned pedestrian, bus shelter and bollard advertising revenue. Offsetting to some extent however are lower than planned NZTA roading subsidies.
Net Expenditure	52,423	58,995	68,892	(9,897)	
7.2 Tūnga waka – Parking					
Expenditure	15,490	16,316	17,336	(1,020)	Favourable due lower than budgeted personnel, professional and contracts costs and general expenses.
Revenue	(27,221)	(31,851)	(29,119)	(2,732)	Favourable noting budgets were reduced to recognise the likely impact of COVID-19.
Net Expenditure	(11,731)	(15,535)	(11,783)	(3,752)	
Transport Total					
Expenditure	79,702	89,168	95,655	(6,487)	
Revenue	(39,010)	(45,708)	(38,546)	(7,162)	
Net Expenditure	40,693	43,460	57,109	(13,649)	

What it cost (capital expenditure \$000)

	2019/20 Actual	2020 /21 Budget	2020 /21 Actual	Revised budget	Variance to revised budget	Variance commentary
7.1 Transport	48,898	70,276	55,848	88,125	(32,277)	There is a timing difference on several projects due to delays from COVID-19 impacts which has resulted in lower expenditure in some key programmes such as Cycleways and Streetlighting. It is expected that these various projects will be on-track in the near future.
7.2 Parking	192	561	408	632	(224)	
Transport Total	49,090	70,837	56,256	88,757	(32,501)	




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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, which was conducted in two parts this year, has a margin of error of +/- 3.3% for part one and 2.9% for part two.




Outcome Indicators

We use outcome indicators to monitor how our city changes over time, which provides information on trends that may influence our future planning. In general, changes in outcome indicators are assessed against a desired direction. Of the 22 outcome indicators we monitor, four had adverse trends and 18 had no trend results. For details see [pg X to X](#).

				Total	Commentary
7 Waka – Transport	4	18	0	22	The residents monitoring survey results reflect concern around peak traffic volumes, ease to drive or bike in the city and safety. Other measures were stable or too variable to determine a trend.

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 8 of this section, see [pg X to X](#). These pages include data for the last 3 years to show trends and include variances explanations for relevant areas where target have been exceeded or not met.

				Total	Commentary
	Not met	Within 10%	Exceeded		
7.1 Transport	8	12	5	25	Some increases in active modes of transport, but delivery and residents' perception feature strongly in not met results.
7.2 Parking	4	1	0	5	Performance against these targets has been consistently low for many years, with three of the five measure sourced from residents' perceptions.
Transport Total	12	13	5	30	30 out of 30 KPI results reported

Spotlight on – Ngaio Gorge stabilisation

We are strengthening and stabilising the Ngaio Gorge slip to make this key transport route stronger and more resilient.

In July and August 2017, a series of landslides brought down tonnes of dirt, boulders and plants onto Ngaio Gorge Road – one of Wellington's main commuter routes. The debris was cleared and a container wall put in place as a temporary measure until the permanent fix could be implemented.

Work on the \$11m permanent solution began in October 2020 and will take two years. It will include building retaining walls, widening and realigning the road, drainage and slope stabilisation. The solution is part of our commitment to improve safety and accessibility along major transport routes.

The project

Phase 1 of the construction work is the three retaining walls needed to realign the road. Once that is completed the Council will continue to stabilise the lower and upper slip sites and remove the concrete barriers and shipping containers.

Project stage	Planned work	Time period
Stage 1	Construction of three reinforced concrete retaining walls on the looser side of the road.	October 2020 to September 2021
Stage 2	Stabilisation of the two slip sites, including installation of rock anchors, netting, and a mechanically stabilised earth bund at the main slip area. Installation of an attenuation fence, anchoring, and drapery at the lower slip area.	October 2021 to May 2022
Stage 3	Road upgrades, including new/upgraded stormwater infrastructure, street lighting, parking spaces, and improvements to the footpath and uphill cycle lane.	June 2022 to October 2022

Our progress this year

COVID-19 restrictions in Wellington and New Zealand, and shortages in the supply chain, caused delays during the year, but the project is back on time and on budget.

By the end of the 2020/21 year the concreting work has been completed for two walls and the installation of anchors for one wall is underway. The ground excavations and preparations for the third wall are finished, including installation of 40 piles for the foundations. The reinforcement work for this wall is now in progress.

The work to stabilise the slope and build the retaining walls requires the vegetation to be removed. Therefore, before the project started in October the Council removed the native lizards living along the banks of Ngaio Gorge and rehomed them in the neighbouring Trelissick Park.

The road continues to operate with one lane and is being controlled by traffic signals.

8 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 and principles used to assess Outcome trends.

Residents Monitoring Survey (RMS)

This survey is undertaken annually by Council and was conducted in February 2021. It asks a representative sample of Wellington City residents about their engagement and satisfaction with the Council's and Council-controlled Organisations' provision and delivery of services and facilities. The survey also asks residents about their behaviours and overall perceptions of Wellington.

The survey is conducted in two parts. This year, the surveys were sent to about 3,500 residents for part one and 5,000 for part two and remained open until minimum quotas for age, gender and ward were met. The final sample size for 2021 was 866 for part one and 1138 for part two, which were post-weighted to be representative by age, gender and ward. The standard margin of error at 95% confidence level was 3.3% for part one and 2.9% for part two. This indicates that we can conclude with 95% confidence that the sample results $\pm 3.3\%/2.9\%$ reflect that of the population.

More detail on the Residents' Monitoring survey is available online at wellington.govt.nz/rms-survey-and-results.

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. For example, if data is updated by Statistics New Zealand, or other external data sources, we will overtype the previous years' 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 (e.g. not influenced by extraordinary events).
5. Trends are only evident over multiple years (e.g. up-down-up is reported as no trend).
6. If data is not available at the time of publication the result is shown as no result/not reported (NR). Missing data is revisited in the next year's Annual Report, if possible.
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 the next Annual Report.

Detailed Outcome Indicators

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 and not reported as a dash.

No trend and No Result (NR) is used for several reasons, where:

- there are not enough data points for a trend to be derived;
- data points are non-comparable (e.g. a change in methodology, low sample size, data integrity limitations, impact of an extraordinary event like survey during COVID-19);
- or recent data points are not available (e.g. for measures that rely on Census data, last conducted in 2018).

Outcome indicators are not specified in our Annual 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.

Outcome indicators that reference residents' perceptions are sourced from the annual Resident's Monitoring Survey (RMS). For supplementary survey information refer to our website at <https://wellington.govt.nz/rms-survey-and-results>.

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
1 Mana whakahaere Governance								
Residents' confidence and engagement								
Voter turnout in local elections, referendums and polls	Increasing	2016: 45.6%	NR	NR	2019: 40.1%	NR	NR	The next local government elections will be held in 2022.
Residents (%) who believe they have the opportunity to participate in city decision-making	Increasing	43%	46%	46.8%	47.4%	43.9%	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	Both partners were not sure	Both partners were not sure	Both partners partially agree	Result not clear	No interviews were held	NR	In 2021, instead of interviews, council initiated a project to better analyse good quality relationship experiences, and to identify areas where Council can improve.

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Māori residents (%) who feel that Māori culture [including te reo Māori] is appropriately visible in the city	Increasing		new	Culture: 56% Te reo:43%	44.6%	*41.6%	NR	*WCC explored approaches to increase the response rates for Maori residents, this was not successful, so published results are for all residents.
Māori residents (%) who feel that Māori culture [incl. te reo Māori] is appropriately recognised in the city	Increasing		new	Culture: 40% te reo: 54%	41.3%	*42.1%	NR	*As above
Māori residents (%) who believe they have the opportunity to participate in city decision-making	Increasing		new	50%	33%	NR	NR	
Diversity								
Diversity of population – Wellington City (source: Census data)	Increasing	NR	NR	See comment	NR	NR	NR	The New Zealand census is currently taken every five years 2018 result: 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	80%	81%	82.6%	83.8%	82.2%	No trend	
2 Te Taiao me te Hanganga – 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 55%	Parks 58%	Parks 63%	Parks 75%	Parks 81%	Positive trend	Steady increase in utilisation of open spaces. For more detail please see copy of Residents' Monitoring survey, https://wellington.govt.nz/rms-survey-and-results
Open space land owned or maintained by the Council – total hectares	Increasing	4,040	4,073	4,221	4,251	4,262	Positive trend	Addition of land to the outer green belt.
Open space land owned or maintained by the Council – square metres per capita	Maintain	194.3	191.5	201.96	202.04	202.57	Positive trend	Per capita value calculated on population figure from 2019: 210,400
Environmental health								
City Biodiversity Index indicators	Improving					WCC is implementing its biodiversity strategy.	NR	This year council calculated the Proportion of Natural Areas in the City 22.92% and Proportion Protected Natural Areas in the City 11.98% as part of the index.
Native bird counts	Increasing	14 bird species	13 bird species	14 bird species	14 bird species	13 bird species	No trend	

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Freshwater biological health (macro invertebrates MCI-hb) – Makara, Karori, Kaiwharawhara, and Porirua streams, ideal >100	Improving	Average of 4 streams 97.5	Average of 5 streams 95.6	Average of 5 streams 93	Average of 5 streams 93.9	Average of 5 streams 98.7	Negative trend	Range was 84.6 to 116.2 MCI-hb. Only two of the five streams monitored in the Wellington area were rated at 100 or greater for ideal macro-invertebrate levels. For more information refer to GWRC ecology information
% of city declared predator/pest-free (low density), by species	Increasing		new	Establishing baseline	3.5%	3.5%	No trend	
Renewable energy generation in the city (fuel capacity MW)	Increasing	Solar 2.93 Wind 60.93 Bio-mass 5 Fresh water 0.988	Solar 3.69 Wind 60.93 Bio-mass 5 Fresh water 0.988	Solar 4.69 Wind 60.93 Bio-mass 5 Fresh water 0.988	Solar 5.48 Wind 60.93 Bio-mass 5 Fresh water 0.988	Solar 6.64 Wind 60.93 Bio-mass 5 Fresh water 0.988	Positive trend	While figures for wind, bio-mass and fresh water remain steady, solar energy capacity continues linear growth. For more information: www.emi.ea.govt.nz
Resident engagement in environmental protection and restoration								
Hours worked by recognised environmental volunteer groups and botanic gardens volunteers	Increasing	53,839	59,531	70,230	57,581	71,929	Positive trend	Increased on pre-COVID-19 levels.
Residents engaged in trapping or other predator control	Increasing		19% from Predator Free Survey	23% from Predator Free Survey	27% currently undertaking; total 'ever' 37.5% from RMS	22.2% currently undertaking; total 'ever' 38.1% from RMS	No trend	
Water consumption (commercial and residential combined) billion litres *	Decreasing	25.1b	23.1b	Est 20.7b-24.7b	29.5b	30.5b litres	Negative trend	This year saw consumption increase, continuing the upwards trend seen over recent years. The majority of this increase is considered to be the result of increasing leaks within the network and on private property as the assets age and deteriorate
Energy use per capita MWh per annum	Decreasing	5.14 MWh	5.19 MWh	5.14MWh	5.12 MWh	5.38 MWh	Negative trend	Total energy use has been increasing and demonstrated COVID-19 impacts on residential use during 2020.
Total city greenhouse emissions per capita (tonnes)	Decreasing	5.7 tonnes	NR	NR	5.045 tonnes	NR	NR	2016/17 source: Christchurch Community Carbon Footprint 2016/2017. 2019/20 source: WCC greenhouse gas inventory summary report
Residents who state they have taken action (on an ongoing basis) in the last year to reduce their greenhouse gas emissions	Increasing		new	95.4%	92.3%	91.8%	No trend	
Total kerbside recycling collected (kilograms per person)	Increasing	53.8kg	51.6kg	55.4kg	49.99kg	50.2 kg	No trend	
Kilograms of general waste to landfill per person	Decreasing	466	500	452	461	418	No trend	

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
3 Whanaketanga ōhanga Economic development								
Visitor and talent attraction								
Number of domestic visitors (guest nights)	Increasing	1,465,917	1,508,912	1,624,042	NR	1,605,800	No trend	
Number of international visitors (guest nights)	Increasing	810,846	809,530	751,750	NR	140,500	No trend	
Average length of stay - international and domestic guest nights	Increasing	2.13	2.12	2.09	NR	2.3	No trend	
Domestic airline passengers entering Wellington International Airport	Increasing	5,121,757	5,310,967	5,506,409	4,064,061	3,935,832	No trend	
International airline passengers entering Wellington International Airport	Increasing	901,373	902,622	935,526	695,381	41,944	No trend	
International air destinations	Increasing		new	6	6	2*	No trend	*The trans-Tasman bubble opened temporarily from 19 April and the Cook Islands travel bubble on 17 May, both were suspended early 2021/22.
Secondary (international) students enrolled as at 1 July	Increasing	374	399	367	394	315	No trend	
Tertiary students enrolled total	Increasing	21,950	22,240	22,480	22,370	22,410	No trend	
Tertiary (international) students enrolled	Increasing	3,195	3,360	3,575	3,645	3,065	No trend	
Tertiary (domestic) students enrolled	Increasing	18,755	18,880	18,900	18,725	19,350	Positive trend	Increase likely to be COVID-19 related from a tight job market and restrictions on overseas travel.
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	19	21	20	No trend	
Business enterprises – (net growth in business)	Increasing	1.2%	2.6%	1.4%	1.7%	3.2%	Positive trend	Although uplift seen in previous year, this is unlikely to continue.
City vibrancy and economic performance								
Pedestrian counts – average of various Golden Mile sites (Inbound and Outbound)	Increasing	In 5,113 Out 2,297	In 5,476 Out 1,986	In 5,291 Out 1,994	In 4,170, Out 1,606	In 5,187 Out 1,768	No trend	
Commercial building vacancy rates (80% code +)	Decreasing		new	5.9%,	6.1%,	6.9%,	Negative trend	Vacancy rates within Wellington's CBD increased marginally, underpinned by government occupation and bolstered by New Zealand's better than expected economic performance.

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Economic performance								
Labour force participation – this indicator measures the proportion of the working-age population that is in the labour force (employed, or unemployed and looking for work.)	Increasing	NR	NR	75.9%	NR	NR	NR	
Economic diversity (HHI Herfindahl-Hirschman Index)	Increasing	NR	64	65.2	64.8	66.4	No trend	
Proportion of jobs in smart, knowledge-intensive industries	Increasing	55.7%	55.7%	55.5%	55.9%	NR	NR	
Unemployment rate – Wellington	Decreasing	4.9%	4.3%	4.1%	3.6%	5.0%	No trend	
Unemployment rate – New Zealand	Decreasing	5.0%	4.6%	4.3%	4.1%	4.7%	No trend	
Access to, and uptake of, fibre broadband	Increasing	28%	34.4%	41%	52%	58%	Positive trend	There are 15 towns and cities with UFB available in the Wellington region, 58% of those with access to UFB have connected, 127,783 premises.
GDP per capita Wellington City	Increasing	\$118,240	\$119,938	\$122,240	\$128,746	Est \$133k	Positive trend	Wellington City GDP per capita grew 3% in 2021, based on population estimate of 210,400.
Deprivation index – city residents and New Zealand average (most deprived deciles) Source: Profile.idnz	Decreasing	NR	NR	2018: 4.03; NZ 5.60	NR	NR	NR	
Income (average annual earnings) – income (\$) per annum	Increasing	\$73,278	\$74,785	\$77,500	\$80,271	NR	Positive trend	Although 2021 data is not available, results up to 2020 indicate a positive trend.
Income (average annual earnings) – percentage growth	Increasing	2.4%	2.1%	3.6%	3.6%	NR	No trend	
Youth NEET (not in education, employment or training) – as a proportion of 15-24 year-olds	Decreasing	9.2%	7.3%	6.9%	6.6%	NR	Positive trend	Although 2021 data is not available, results up to 2020 indicate a positive trend.
4 Oranga ahurea Cultural wellbeing								
Cultural reputation, participation and vibrancy								
Residents' frequency of engagement in cultural and arts activities	Increasing	88%	90%	86%	84.2%	88%	No trend	
New Zealanders' perceptions that "Wellington has a culturally rich and diverse arts scene"	Increasing	79%	79%	80%	85.4%	84.8%	No trend	
Residents' perceptions that "Wellington has a culturally rich and diverse arts scene"	Increasing	90%	93%	90%	87.9%	85.9%	Negative trend	The effects of COVID-19 on domestic tourism means perceptions and experiences of the city could have been impacted. Particularly due to cancellation of events.

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
New Zealanders' perceptions that "Wellington is the events capital of New Zealand"	Increasing	34%	39%	38%	48.6%	50.2%	Positive trend	There has been a positive impact on domestic tourism, and perceptions of Wellington.
Residents' perceptions that "Wellington is the events capital of New Zealand"	Increasing	47%	42%	31%	42.3%	31.3%	No trend	
Cultural attraction and event investment success								
Te Papa visitors – total visitors	Increasing	1,578,292	1,514,896	1,548,646	1,108,283	894,292	No trend	
Te Papa visitors – overseas visitors	Increasing	718,081	758,695	732,738	524,274	44,521	No trend	
Te Papa visitors – New Zealand visitors from outside the region	Increasing	483,995	420,195	429,697	278,414	465,417	No trend	
Customer (%) satisfaction with the New Zealand Festival (2020) and economic return	Increasing	No festival	88%	No festival	NR	NR	NR	
Total visits to museums and galleries (including Carter Observatory)	Increasing	780,414	725,214	770,320	535,421	405,941	No trend	
Community access to venues subsidy: Total numbers of performers at supported events	Increasing	19,149	5,084	13,551	12,971	NR	NR	
Community access to venues subsidy: Total numbers of attendees at supported events	Increasing	144,053	89,118	153,543	117,287	NR	NR	
5 Kaupapa Pāpori me ngā Mahi a Rēhia 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%)	Pools (42%) Rec centres (35%) Libraries (72%) community centre (28%) and Community hall (26%).	No trend	
Residents' perceptions that Wellington offers a wide range of recreation activities	Maintain	85%	79%	81%	75.9%	73.7%	Negative trend	Agreement with this statement has trended down over the last few years.
Residents' frequency of physical activity	Increasing	73%	74%	70%	77%	79.95%	No trend	
Residents' perceptions that there are barriers to participating in organisation led recreation activities.	Decreasing	new	84%	80.7%	84.4%	83.98%	No trend	

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Residents' perceptions that there are barriers to participating in participant led recreation activities.	Decreasing barriers	new	81%	74.6%	76.9%	77.7%	No trend	
Residents' health and wellbeing outcomes								
Social housing tenants who report good quality of life	Increasing	77%	71%	77%	79%	79%	No trend	
Activity levels (adults who state they have done any physical activity that was specifically for the purpose of sport, exercise or recreation)	Increasing	77%	75%	75%	NR	NR	NR	
Youth participation in sport and recreation. 5-17 year olds (surveyed on activity within last 7 days, Wellington region)	Increasing	95.9%;	95.6%	95%	NR	NR	NR	
Resilient and cohesive communities and neighbourhoods								
Residents' importance of sense of community in local neighbourhood	Increasing		new	75%	79.4%	78%	No trend	
Social capital - residents' response to "I have strong social or community networks that I can draw on in Wellington"	Increasing		new	63.6%	60.4%	64.4%	No trend	
Residents' engaging in neighbourly actions "given help"	Increasing	55%	58%	57%	55%	59%	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%	67.4%	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%	82.2%	No trend	
Public health and safety								
Residents' perceptions - city and community safety issues of most concern	Decreasing safety issues	59%	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	59% - threatening people; 58% - poorly lit or dark public areas a concern	No trend	

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Residents with access to emergency items at home	Increasing	85%	83%	83.6%	80.9%	79.3%	No trend	
Residents with access to emergency items at workplace	Increasing	new	75%	77.3%	76%	78.7%	No trend	
Residents with access to emergency items at place of education (if applicable)	Increasing	new	59%	45.6%	43%	48%	No trend	
Residents with access to emergency items in motor vehicle	Increasing		new	33.2%	38.2%	34.7%	No trend	
Residents with access to emergency items at other daily destination	Increasing		new	10.1%	13.2%	18%	No trend	

6 Tāone tupu ora | Urban development

Housing affordability and supply

Average annual house price and median house price as at June each year.	Decreasing median house price	\$712,485; median \$665,800	\$763,609; median \$680,500	\$810,856; median \$725,000	\$880,230; median \$822,000	\$1,120,161; median \$1,035,000	Negative trend	The average current house value in Wellington City was up 27% in June 2021 compared with a year earlier. Growth outperformed relative to New Zealand, where values increased by 22%.
Overall housing affordability (based on Housing Affordability Index) Wellington	Increasing (means lower index value)	5.9	5.9	5.7	6.0	7.4	Negative trend	Wellington City continues to be more affordable than the rest of NZ, based on the ratio of house price to income. However, both NZ and Wellington results have become much less affordable over the last year. NZ result: 2021: 7.8, 2020: 6.6
Number of building consents - new residential	Increasing	869	1136	978	1428	1005	No trend	
Value of residential building consents	Increasing	\$369m	\$444m	\$419m	\$564m	\$350m	No trend	
Value of commercial building consents	Increasing	\$469m	\$275m	\$367m	\$412m	\$404m	No trend	
Healthy housing stock – residents who report their home is insulated (adequate ceiling insulation);	Increasing	66%	66%	71%	67%	69.5%	No trend	
Healthy housing stock – residents who report their home is insulated (adequate under floor insulation)	Increasing	46%	45%	54%	46%	51.7%	No trend	
Healthy housing stock – residents who report their home is warm and dry (rarely or never cold)	Increasing	31%	36%	47%	35%	48.8%	No trend	
Healthy housing stock – residents who report their home is warm and dry (rarely or never damp)	Increasing	58%	62%	70%	56%	71.1%	No trend	

Growth and density

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Proportion of houses within 100 metres of a public transport stop	Increasing	45%	44.8%	42.3%	42.3%	41.5%	Negative trend	This drop is not unexpected due to changes in the region's bus routes.
City population	Increasing	203,860	206,800	209,000	210,400	NR	NR	
Central city population	Increasing	20,690	21,260	21,720	22,890	NR	NR	
High-quality urban form								
Residents' perceptions of the city centre as an easy place to get to	Increasing		new	74%	78.5%	70.9%	No trend	
Residents' perceptions of the city centre as an easy place to use	Increasing		new	81%	72.9%	65.4%	Negative trend	While there is still more agreement than disagreement, compared to the last survey agreement has declined across the board.
Residents' perceptions of the city centre as an easy place to enjoy	Increasing		new	82%	71.1%	59.2%	Negative trend	Respondents over 60 were less likely to agree at 51%. While there is still more agreement than disagreement, compared to the last survey agreement has declined across the board.
New Zealanders' perceptions that Wellington is an attractive destination	Increasing	78%	80%	76%	78.7%	79.7%	No trend	
Residents' perceptions of urban design/urban form safety issues (ie graffiti, vandalism, poorly-lit public spaces etc.)	Increasing	Improvements perceived against graffiti and vandalism	Some improvements perceived	Concerns increased across all reported areas	Concerns increased across 7 out of 13 reported areas	Increased concern in 4 out of 11 areas	Negative trend	For more detail please see copy of Residents' Monitoring survey, https://wellington.govt.nz/rms-survey-and-results
Residents' perceptions of the attractiveness of the central city	Increasing	88%	86%	80.4%	68.6%	46.7%	Negative trend	This is a concerning negative trend with significant drop in agreement that the city centre is lively and attractive over the last five years.
Residents' perceptions of the attractiveness of their local suburbs	Increasing	50%	48%	55.3%	61.5%	59.2%	No trend	
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 after dark 81%	In city after dark 75.8%	In the city after dark 75.9%	In the city after dark 71.4%	In the city after dark 56.97%	Negative trend	The proportion of respondents saying they feel safe in Wellington's CBD after dark have fallen significantly compared to previous years. For more detail please see copy of Residents' Monitoring survey, https://wellington.govt.nz/rms-survey-and-results
Heritage protection								
Residents' perceptions that heritage items contribute to the city's unique character	Increasing	91%	92.5%	92%	88%	80.6%	Negative trend	The statement that "Heritage items contribute to Wellington's unique character" only had 6% disagreed, although agreement has been trending down for the last three surveys.

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Residents' perceptions that heritage items contribute to the communities' unique character	Increasing	71%	75%	76%	66%	59%	Negative trend	The statement "Heritage items contribute to the communities' unique character" generally have more modest levels of agreement than those related to Wellington city. Agreement has also been trending down for the last three surveys.
Resilience								
Proportion of residents who feel safe in the event of a moderate earthquake at home	Increasing		new	85.3%	85%	86.6%	No trend	
Proportion of residents who feel safe in the event of a moderate earthquake at workplace	Increasing		new	69%	72%	72.6%	No trend	
Proportion of residents who feel safe in the event of a moderate earthquake at place of education	Increasing		new	76%	66%	65.2%	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%	In motor vehicle 63% and other 26%	No trend	
Proportion of residents who have checked their dwelling to improve its seismic resilience in the past year	Increasing		new	27%	13%	26%	No trend	
Proportion of residents who have taken action to improve its seismic resilience in the past year	Increasing		new	14.4%	6.5%	15.4%	No trend	
Number of earthquake-prone buildings	Decreasing		717	593	563	587	No trend	During 2020 officers commenced a significant engagement with owners of EPB to determine the current status of work, and to obtain a detailed understanding of the underlying drivers, incentives and disincentives for owners.
Number of earthquake-prone buildings – Change	Increasing		new	Down 124	Down 30	Up 24	Negative trend	
Number of earthquake-prone buildings and lifeline routes	Decreasing		new	54	135	128	No trend	
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%	30%	No trend	
Residents (%) who believe that the Council is making adequate progress on addressing building resilience-related issues in the city	Increasing		new	42.1%	32%	27%	Negative trend	This year, about half (46%) did not agree – a lot bigger than the 27% who agreed. This measure has a negative trend, with 42% responding positively on this measure in 2018/19.

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
Seismic resilience index	Increasing			Baseline is being established	Baseline is being established	NR	NR	
7 Waka Transport								
Network efficiency and reliability								
Residents' perceptions that peak traffic volumes are acceptable	Increasing	42%	38%	35%	36.8%	34.3%	Negative trend	This measure has remained steady for the last three surveys, however tracking back to 2014 shows that this measure has been falling overtime with 53% saying peak traffic volumes were acceptable back in 2014.
Residents' perceptions that the transport system allows easy access to the city	Increasing	62%	64%	37%	52.9%	49.6%	No trend	
Residents (%) who agree the transport system allows easy movement around the city – vehicle users (easy to drive)	Decreasing	46%	43%	39%	37%	29%	Negative trend	Views on the ease of driving around the city have been falling since tracking began in 2014 – when 51% said it was easy.
Residents (%) who agree the transport system allows easy movement around the city – vehicle users (easy to cycle)	Increasing	37%	31%	29%	25.2%	21.8%	Negative trend	Views on ease of cycling have also been falling, but not to the same extent as driving.
Residents (%) who agree the transport system allows easy movement around the city – pedestrians (easy to walk)	Increasing	93%	93%	93%	87.7%	85.4%	No trend	
Residents (%) who agree the transport system allows easy movement around the city – public transport	Increasing		New	44%	60.5%	53.1%	No trend	
Mode of resident travel – daily commute (car)	Decreasing	27%	25%	29.5%	21.8%	26%	No trend	
Mode of resident travel – daily commute (bus)	Increasing	28%	31%	28%	22.7%	24.3%	No trend	
Mode of resident travel – daily commute (walk)	Increasing	24%	24%	24%	30%	22.9%	No trend	
Mode of resident travel – daily commute (bicycle)	Increasing	10%	12%	10%	13.6%	11.6%	No trend	
Active mode promotion and public transport support								
Residents' perceptions that cycling is safe in the city for themselves	Increasing		New	25.2%	28.8%	23.3%	No trend	
Residents' perceptions that cycling is safe in the city for their children (if applicable)	Increasing		New	7.3%	9.3%	7.1%	No trend	
Residents' perceptions of reliability of	Increasing		New	16.4%	33.8%	32.7%	No trend	

Outcome & heading	Desired trend	2016/17	2017/18	2018/19	2019/20	2020/21	Trend result	Comments
public transport services								
Residents' perceptions of affordability of public transport services	Increasing	45%	45%	38.2%	41.4%	41.7%	No trend	
Residents' perceptions of quality of public transport services	Increasing		New	22.3%	33.3%	33.2%	No trend	
Proportion of school children walking to school (at least once a week)	Increasing	73%	67%	48.6%	67.9%	64.4%	No trend	
Proportion of school children cycling to school (at least once a week)	Increasing	9.0%	7.5%	5.9%	19.5%	9.5%	No trend	
Proportion of school children scoot or skate to school (at least once a week)	Increasing		New	15.6%	20.9%	18.7%	No trend	
Environmental impact and safety								
Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide and particulate matter levels)	Increasing	No days in excess of monitoring guidelines	No days in excess of monitoring guidelines	No days in excess of monitoring guidelines	No days in excess of monitoring guidelines	No days in excess of monitoring guidelines	No trend	
Personal risk of serious injury or fatality for all road users (number resulting from road crashes)	Decreasing	78	70	87	52	71	No trend	
Change from previous year in the number of road crashes resulting in fatalities and serious injury*	Decreasing	Down 19	Down 8	Up 17	Down 35	Up 19	No trend	
Residents' perceptions of transport-related safety issues (i.e. issues of most concern)	Decreasing	Traffic or busy roads (33%); Dangerous driving (33%); Car theft or vandalism (29%);	Traffic or busy roads (36%); Dangerous driving (33%); Car theft or vandalism (27%);	Traffic or busy roads (39%); Dangerous driving (40%); Car theft or vandalism (29%);	Traffic or busy roads (42%); Dangerous driving (41%); Car theft or vandalism (40%);	Traffic or busy roads (40%); Dangerous driving (43%)	Negative trend	Residents expressing concerns around dangerous driving has grown year on year. For more detail please see copy of Residents' Monitoring survey, https://wellington.govt.nz/rms-survey-and-results

The following are sources for the Outcome indicator results

- Wellington City Council Residents' Monitoring Survey 2021
- Nielsen's 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

Draft – subject to Audit

Detailed Key Performance Indicators

Key Performance Indicators

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
- [-] **NR:** Not Reported/No result: used where result against target is not reported because data is not available or not comparable to previous results/target.

We use a range of +/- 10 percent from target as this 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.

Some results are reported in this chapter with no comparison to target when no target has been set or where data is not available to be reported.

Variance commentaries are only included for exception results: **Not Met and Exceeded.**

Performance measures that reference residents' perceptions are sourced from the annual Resident's Monitoring Survey (RMS). For supplementary survey information refer to our website at wellington.govt.nz/rms-survey-and-results.

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
1 Mana whakahaere Governance							
1.1 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%	98%	100%	100%	0%	Within 10%	
Meeting and committee agendas (%) made available to the public at least 4 days prior to meetings	97%	92%	97%	70%	38%	Exceeded	The Democracy Services Team worked proactively to ensure reports for meetings are prepared on time and published in advance of the legislative deadline.
Community engagement							
Residents (%) who believe they have adequate opportunities to have their say in Council activities	42%	41.7%	37%	45%	-19%	Not met	While this result is lower than 2020 and 2019, due to the sample sizes in this study, the differences are not statistically significant shifts.
Residents (%) who state they are satisfied with how the Council makes decisions	34%	29.7%	16%	45%	-65%	Not met	The main reasons given by respondents for being dissatisfied in this area were: infrastructure spending, a feeling of not being listened to by the Council, political issues on the Council and the focus of the Council being on the wrong areas.
Providing information and a point of contact							
Contact Centre - Contacts responded to within target timeframes (% calls answered within 30 seconds)	80%	80.6%	69%	85%	-18%	Not met	The bedding in of changes to the Contact Centre's three core systems has continued to impact performance. Challenges and the solutions were identified, resulting in a marked uplift in Q4.
Contact Centre - Contacts responded to within target timeframes (% emails responded to within 24 hours)	99%	99.6%	94%	100%	-6%	Within 10%	
City Archives – users (%) satisfied with services and facilities	86.6%	Result up to Q2 was 74%	91%	75%	21%	Exceeded	This result shows overall service satisfaction however is based on low sample response size. However is based on low sample response size.
Residents (%) who agree that Council information is easy to access (via website, libraries, social media, newspapers etc)	Average 46%	Website 68.1%, Libraries 63.0%, Social Media 51.7%, Newspaper 36.6%.	52%	55%	-6%	Within 10%	Result for 2020/21 is not channel specific.
Residents (%) who agree that the Council is proactive in informing residents about	45%	43.3%	37%	70%	-48%	Not met	There were balanced levels of agreement and disagreement that the Council is proactive in informing

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
their city							residents about their city.
Official information requests (%) handled within LGOIMA legislative timeframe	97%	94%	89%	90%	-1%	Within 10%	
1.2 Māori and mana whenua partnerships							
Relationship with mana whenua							
Mana whenua satisfaction with their relationship with Wellington City Council	Both parties satisfied	Both parties somewhat satisfied	Interviews not held.	Satisfied	NR	NR	In past years, the Council used an annual interview to determine how our mana whenua partners believe Council has performed against its obligation. In 2021 we initiated a project to gather evidence and self-reflection across council to help the understand good quality relationship experiences and to identify areas of improvement. This meant interviews with mana whenua were not held within the reporting timeframe.
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)	Both parties somewhat satisfied	One partner unsure and one partner expressed range from very positive to concerned.	Interviews not held.	Satisfied	NR	NR	As above
Engaging Māori residents in decisions							
Māori residents (%) who believe that they have adequate opportunities to have their say in decision-making	69%	64.2%	NR	75%	NR	NR	Maori residents survey was not conducted.
Promoting Māori culture							
Māori residents (%) who agree that the Council is taking an active role in revitalising te reo Māori	68%	49.4%	NR	75%	NR	NR	As above
Māori residents (%) who agree that the Council is taking an active role in revitalising Māori cultural heritage	67%	38.4%	NR	75%	NR	NR	As above
2 Te Taiao me te Hanganga – Environment & infrastructure							
2.1 Parks, beaches and open spaces							
Utilisation							
Number of visitors to the Wellington Botanic Gardens and Ōtari-Wilton's Bush	1,246,162	1,397,302	1,259,690	900,000	40%	Exceeded	Annual target was reduced for COVID-19, however visitation numbers have been higher than expected.
Number of formal education attendees at Council programmes (School & Community)	2,102	1,145	4,386	2,000	119%	Exceeded	Strong performance with results arising from working closely with schools to promote the programme.

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
Attractiveness							
Residents (%) satisfied with the quality and maintenance of green open spaces	87%	82%	78%	90%	-14%	Not met	About eight in ten or more respondents were satisfied with each space (local parks and reserves, playgrounds, botanic gardens, beaches and coastal areas, walkways and trails, waterfront, forested areas and green belts), with the exception of playgrounds and streams.
Protecting and enhancing our biodiversity							
Establish 2 million native plants by 2025	1,788,834	1,890,068	1,994,549	1,850,000	8%	Within 10%	
Hectares of high-value biodiversity sites covered by coordinated pest management	296	311	399	296	35%	Exceeded	We have extended the areas we are undertaking weed control in.
Affordability							
Cost to the ratepayer per visitor to the Wellington Botanic Gardens and Ōtari-Wilton's Bush	\$4.23	\$3.98	\$4.33	\$4.20	-3%	Within 10%	
Community engagement							
Proportion % of households engaged in Council-coordinated pest trapping	31%	27%	22%	30%	-26%	Not met	Although the measure of those currently undertaking predator control has dropped, the total number including "previously undertaken" increased slightly from 37.5% to 38.1%.
Number of plants supplied for community planting	37,072	31,826	37,891	35,000	8%	Within 10%	
2.2 Waste reduction and energy conservation							
Recycling							
Residents (%) who use recycling services regularly	94%	91%	92%	90%	2%	Within 10%	
Affordability							
Cost per household (per annum) for kerbside recycling	\$85.92	\$82.01	\$80.00	\$86.00	7%	Within 10%	
Customer satisfaction							
Residents (%) satisfied with kerbside recycling service	65%	74%	76%	85%	-11%	Not met	There was a low point of satisfaction in 2019 (65%), which has recovered somewhat, current levels are largely in line with tracking prior to 2019.
Users (%) satisfied with waste collection service	71%	80%	79%	90%	-13%	Not met	Current results are largely in line with previous tracking, however as seen with kerbside recycling there was a low point in 2019 (71%).
Sustainable landfill operation							
Estimated efficiency of gas capture system	40%	47%	39%	47%	-17%	Not met	There were 19 days across the year in which the meter

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
(% of estimated gas produced that is captured and destroyed)							for flare and generator was not working for repair or calibration. Applying averages to include these days shows that we would have been just over 40% for capture and destruction which is in line with 2019. We're continually adding in new gas collection infrastructure, repairs to the generator will result in better destruction rates however more infrastructure around destruction would increase performance.
Waste minimisation activities							
Volume of waste diverted from landfill (tonnes)	19,526	17,655	18,024	20,000	-9.9%	Within 10%	
Number of participants in waste minimisation and education programmes	3,066	4,082	2,975	3,000	-1%	Within 10%	
Energy conservation							
Energy cost (\$)	\$6,328,978	\$5,797,616	\$6,029,036	\$6,328,978	5%	Within 10%	
Amount of energy used (kWh)	50,824,029	42,095,975	47,260,058 kWh	48,282,828 kWh	2%	Within 10%	
Estimated energy savings (kWh)	3,890,568	8,728,054	3,563,971 less kWh used than 2018/19	2,541,201 kWh	40%	Exceeded	Due to the COVID-19 lockdowns during 2019/20 facilities were closed and energy use was significantly reduced. The desired target is 5% reduction year on year. However the 2019/20 year is not a suitable baseline to compare against. When comparing this data to the 2018/19 financial year, result is a 7% decrease and more accurate with the KPI. Total energy use for 2020/21 was 47,260,058 was 3.5 million kWh less than 2018/19 total of 50,824,029 kWh.
WCC corporate greenhouse gas emissions	122,352	114,958	110,405	92,926	-19%	Not met	While we have made reductions in our energy consumption at a corporate level, the fact the Council includes emissions from public Landfills (Southern and Spicer) and Wastewater Treatment Plants used by the city, means we have fairly limited control over carbon reductions for those areas as this is determined by resident usage. Until we are able to significantly reduce waste in landfill (by getting sewage sludge decoupled from this process) we are unlikely to hit these targets just from our corporate reductions alone
2.3 Water supply							
Clean and safe							
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial	Compliant	Compliant	100% Compliant	100% Compliant	0%	Within 10%	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
compliance criteria)*							
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 5 protozoal compliance criteria)*	Compliant	Compliant	100% Compliant	100% Compliant	0%	Within 10%	
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*	12.01	12.79	14.2 per 1000 connections	<20 per 1000 connections	29%	Exceeded	We received 14.2 complaints per 1000 connections this year. This is below the target of 20 but an increase from the previous year of 12.79 per 1000 connections.
<p>Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported to WWL by the council's contact centre. In many cases only the first complaint in relation to an issue is recorded. DIA mandatory measure definition requires every such complaint to be recorded. This measure was also qualified last year.</p> <p>Proposed remedial action: Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. WWL and the Council await the release of the new guidance notes by DIA.</p>							
Continuity of supply and resolution of faults							
Median response time for attendance for urgent call outs* minutes	49	144	128 mins (range: 119 to 146 mins)	<60 mins	-113%	Not met	This year, teams across the region experienced work volumes exceeding their capacity due to the aging network, which included responding to several major incidents.
Median response time for resolution for urgent call outs* hours	4.38	18.48	12 hours (range: 10.76 to 13.61 hours)	<4 hours	-200%	Not met	The shortage of skilled labour in the industry continues to compound this and WWL's ability to resource adequately and meet the targets.
Median response time for attendance for non-urgent call outs* hours	74.28	145.92	93 hours (range: 74 to 111 hours)	<36 hours	-158%	Not met	There are gaps in the data for these measures, so each one also includes a range showing the possible minimum and maximum median times for the measure. The median time could be as low as the minimum, as high as the maximum or anywhere in the range.
Median response time for resolution for non-urgent call outs* days	4.89	9.93	6 days (range: 4.95 to 6.05 days)	<5 days	-20%	Not met	
Water supply interruptions (measured as customer hours)	0.94	0.35	0.85	2.00	58%	Exceeded	On track
Efficiency and sustainability							
Percentage of real water loss from networked reticulation system and description of methodology used*	20%	19%	16%	<17%	-6%	Within 10%	There is a 95% confidence interval for this measure of 3 – 29%
Qualified measure: WWL was unable to report a reliable water loss percentage for each shareholding council. This is because the water loss percentage is estimated using							

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
information obtained from water meters across the reticulation network. The limited number of water meters across the reticulation network significantly impacts the reliability of the results. This measure was also qualified last year.							
Proposed remedial action: In order to comply with the DIA rules for reporting this measure, a new method to calculate water loss more accurately is in development. Information is being collected from an increased distribution of small area monitors, which capture real-time data. The small area meters installed in November 2020 require 12-months of data to improve confidence. By March 2022, WWL expects to have sufficient data to report reliable results at an individual council level.							
Average drinking water consumption litres per resident per day*	360.52	364.8	380 litres	<365 litres	-4%	Within 10%	
2.4 Wastewater							
Compliance and sustainability							
Dry weather wastewater overflows, expressed per 1000 connections*	0.83	4.95	11.70 per 1000 connections	0 per 1000 connections	-100%	Not met	The dry weather sewerage overflows are primarily caused by deteriorated sewerage pipes and blockages from tree roots, fats, and sanitary products. WWL strives to minimise their risks to the environment and people with a prompt response and effective post-event clean ups. WWL also actively tracks the overflow records to aid the targeted maintenance regime and Capex renewals programme.
Compliance with the resource consents for discharge from the sewerage system, measured by the number of:							
Abatement notices	0	0	0	0	0%	Within 10%	
Infringement notices	0	0	1	0	-100%	Not met	On 15th June 2021 GWRC issued an infringement notice to Veolia due to non-compliant effluent quality in Western wastewater treatment plant. The plant was not able to meet the effluent quality requirements stated by the resource consent for January, March, April and May 2021. Veolia have provided investigation reports highlighting the probable causes of the non-compliances. Veolia and Wellington Water are currently working on improving the performance of the plant with some corrective actions already been completed.
Enforcement orders	0	0	0	0	0%	Within 10%	
Convictions*	0	0	0	0	0%	Within 10%	
Meeting customer expectations							
Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections*	16.23	17.19	21.2 per 1000 connections	<30 per 1000 connections	29%	Exceeded	We received 21.2 complaints per 1000 connections this year. This is below the target of 30 but an increase from the previous year of 17.19 per 1000 connections.
Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported to WWL by the council's contact centre. In							

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
<p>many cases only the first complaint in relation to an issue is recorded. DIA mandatory measure definition requires every such complaint to be recorded. This measure was also qualified last year.</p> <p>Proposed remedial action: Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. WWL and the Council await the release of the new guidance notes by DIA.</p>							
Continuity of service and resolution of faults							
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	0.52	0.65	0.56	0.80	30%	Exceeded	From 2020/21 onwards, pipe length data has been sourced from the InfoAsset system. Wellington Water continues to work to improve the overall accuracy of pipe asset data.
Median response time for wastewater overflows* (attendance time) minutes	43.2	129.6	117 mins (range: 89 to 180 mins)	≤60 mins	-95%	Not met	The teams across the region have experienced work volumes exceeding their capacity due to the aging network throughout the year that included responding to a number of major incidents.
Median response time for wastewater overflows* (resolution time) hours	3.12	14.40	21 hours (range: 14.90 to 27.86 hours)	≤6 hours	-250%	Not met	The shortage of skilled labour in the industry continues to compound this and our ability to resource adequately and meet the targets. There are gaps in the data for these measures, so each one also includes a range showing the possible minimum and maximum median times for the measure. The median time could be as low as the minimum, as high as the maximum or anywhere in the range.
2.5 Stormwater							
Continuity of service and resolution of faults							
Number of flooding events*	5	0	2	Trend ≤5	0%	Within 10%	
Number of habitable floors per 1000 connected homes per flooding event*	0.14	0	0.03 per 1000 connections	≤0.14 per 1000 connections	0%	Within 10%	
Median response time to attend a flooding event* minutes	48	0	1,620 mins	≤60 mins	-2600%	Not met	A large amount of concrete was poured down into the stormwater pipe by an external contractor, severely restricting the pipe's ability to discharge the rainwater and causing flooding on several properties. A major repair work is required to restore the pipes affected by the incident.
Number of pipeline blockages per km of pipeline	0.03	0.06	0.11 per km	0.50 per km	78%	Exceeded	From 2020/21 onwards, pipe length data has been sourced from the InfoAsset system. Wellington Water continues to work to improve the overall accuracy of pipe asset data.
Days (%) during the bathing season (1	99.8%	86.2%	94%	90%	5%	Within	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
November to 31 March) that the monitored beaches are suitable for recreational use						10%	
Monitored sites (%) that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	78%	72%	86%	90%	-4%	Within 10%	Dry weather sampling is severely limited during winter months. The dry weather rolling median does not experience much change due to the poor weather conditions, experienced during the last quarter of 2020/21, impacting on sample result.
Compliance with the resource consents for discharge from the stormwater system, measured by the number of:							
Abatement notices	0	0	0	1	-100%	Not met	Wellington Water received a global abatement notice (stormwater) on 12 February 2021 that applies to the four metropolitan councils. This notice applies to discharges entering stormwater systems during repairs to potable water, stormwater and wastewater pipes. This has been noted and there was a recommendation in an infringement notice in PCC to improve sediment control available to our crews.
Infringement notices	0	0	0	0	0%	Within 10%	
Enforcement orders	0	0	0	0	0%	Within 10%	
Convictions*	0	0	0	0	0%	Within 10%	
Meeting customer expectations							
Number of complaints about stormwater system performance per 1000 connections*	8.51	11.42	11.07 per 1000 connections	20.0 per 1000 connections	45%	Exceeded	We received 11.07 complaints per 1000 connections this year. This is below the target of 20 and a decrease from the previous year of 11.42 per 1000 connections.
<p>Qualified measure: The number of customer complaints for each of the three-water services were unable to be accurately reported to WWL by the council's contact centre. In many cases only the first complaint in relation to an issue is recorded. DIA mandatory measure definition requires every such complaint to be recorded. This measure was also qualified last year.</p> <p>Proposed remedial action: Since 2019/20, the Council and WWL have participated in a DIA-led review to update the reporting rules for all DIA mandate measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. WWL and the Council await the release of the new guidance notes by DIA.</p>							
Residents (%) satisfied with the stormwater system	51%	43%	36%	75%	-53%	Not met	Equal numbers were satisfied and dissatisfied (36%), while 28% were neither satisfied nor dissatisfied. 15% of respondents were also excluded from the analysis as they did not have a view.
2.6 Conservation attractions							
Wellington Zoo							

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
Wellington Zoo - Total number of visitors	252,973	220,607	229,390	254,000	-9.7%	Within 10%	
Wellington Zoo - Education visitors	12,023	8,058	21,204	20,000	6%	Within 10%	
Wellington Zoo - Visitor satisfaction (rating out of 10)	9.1	8.9	9.1	8.5	7%	Within 10%	Wellington Zoo achieved an overall experience rating of 9.1 out of ten. Unable to collect surveys in January due to technical issues. The issues have been resolved.
Wellington Zoo - Conservation Programme Managed Species (number of vulnerable, endangered species at the zoo.)	31	30	29	25	16%	Exceeded	There was a decrease in vulnerable, endangered or critically endangered species (IUCN Red List and DOC National list) at the Zoo, with the last two lions (a vulnerable species) being euthanised in 2021.
Wellington Zoo - Average WCC subsidy per visitor (\$)	\$13.12	\$15.44	\$15.23	\$13.76	-11%	Not met	Result is impacted by reduced visitors due to the pandemic.
Wellington Zoo - WCC full subsidy per visitor (\$)	\$20.73	\$25.86	\$24.95	\$21.77	-15%	Not met	Result is impacted by reduced visitors due to the pandemic.
Wellington Zoo - Total ownership cost to Council (\$000)	\$5,249	\$5,704	\$5,724	\$5,560	-3%	Within 10%	
Wellington Zoo - Average income per visitor (\$)	\$17.53	\$20.42	\$19.91	\$17.77	12%	Exceeded	Achieved \$19.91 to a target of \$17.77.
Wellington Zoo - Ratio of generated Trust income as % of WCC grant.	134%	139%	131%	144%	-9%	Within 10%	
ZEALANDIA							
Zealandia - Number of Visitors	138,141	143,367	121,729	70,000	74%	Exceeded	Actual visitation was much stronger than expected. Visitors come from the Wellington region (67%), the rest of the North Island (23%), the South Island (8%) and overseas (1%).
Zealandia - Number of Education visits	11,727	8,051	12,125	9,000	35%	Exceeded	During 2019/20 education visitors (school numbers) were affected by Level 2 restrictions. However after restrictions were lifted, volumes increased greatly and returned to pre-COVID levels.
Zealandia - Number of Individual memberships	10,932	14,021	18,158	11,200	62%	Exceeded	Total individual memberships have exceeded the annual target due to continuation of those who signed up during the 2020 promotional period.
Zealandia - Customer Satisfaction (%)	97%	95%	94%	95%	-1%	Within 10%	
Zealandia - Cash subsidy (grant) per visit (\$)	\$6.21	\$6.13	\$8.99	\$12.85	30%	Exceeded	Average subsidy per visit (Total WCC operating grant/all visitors) is better than target.
Zealandia - Full cost per visitor (\$)	\$13.44	\$12.04	\$18.32	\$15.29	-20%	Not met	Total costs -including the Tanglewood House grant- are shared across a larger than the budgeted number of visitors.
Zealandia - Average revenue per visitor (\$)	\$32.85	\$37.08	\$28.26	\$27.01	7%	Within	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
						10%	
Zealandia - Non-Council grant revenue equating to >75% of overall income (%)	97%	86%	75%	75%	0%	Within 10%	
Zealandia - Non-Council donations & funding (\$)	\$697,089	\$1,049,397	\$1,477,220	\$200,000	639%	Exceeded	Achieved a non-Council donations/funding income of \$1,477,220. This is mostly due to the COVID-19 relief government grants received this year of over \$900k (STAPP and WIRF).
Zealandia - Membership subscription revenue (\$)	\$338,774	\$382,866	\$462,388	\$324,700	42%	Exceeded	Achieved membership subscription revenue of \$462,388, well above target.

* denotes mandatory measure

3 Whanaketanga ōhanga | Economic development

3.1 City promotions and business support

Business improvement districts

Total voluntary rates collected from and distributed to Business Improvement Districts	289,000	335,000	342,000	342,000	0%	Within 10%	
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WREDA – Wellington NZ

Equivalent Advertising Value (EAV) from media activity \$m		New in 2020/21 SOI	\$50.6m	\$10m	406%	Exceeded	EAV is always difficult to predict as we rely on unpaid editorial coverage via third party channels and this was more unpredictable due to COVID-19 impacts on the media landscape. Two key events, Digital Nights: Van Gogh Alive (Aug-Oct 2020) and the Trans-Tasman Welcome Whānau event at Wellington Airport (April 2021), generated a large amount of media coverage including high value broadcast channels. We also had an increase in Wellington travel coverage in domestic media due to the focus on domestic travel and Tourism New Zealand's media partnerships with NZME and Stuff.
Value of expenditure generated from events (including business, performance and major events) \$m		New in 2020/21 SOI	\$52m	\$40m	30%	Exceeded	KPI is not yet final, doesn't yet include figures from events held in June 2021 (Wellington Jazz Festival and Kia Mau Festival) due to timing of event reporting. The final value will be reporting in the WellingtonNZ Annual Report.
WellingtonNZ is delivering direct value/ROI on our shareholders investment -Direct Economic Impact of WellingtonNZ's activities and interventions \$m		New in 2020/21 SOI	\$214m	\$86m	149%	Exceeded	Direct Economic Impact of WellingtonNZ's activities and interventions is a combined dollar value of the measurable activities and programmes. An aggregate of 26 different measurable activities and programmes. KPI is not yet final, still waiting to confirm events and revise a couple of figures from screen and CHQ.
The number of Wellington Region residents		New in	442,595	475,000	-7%	Within	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
that attend events		2020/21 SOI				10%	
WellingtonNZ is supporting businesses to upskill and grow -Number of different business engagements in WellingtonNZ programmes		New in 2020/21 SOI	3,863	3,789	2%	Within 10%	
Wellington Stadium							
Wellington Regional Stadium Trust - Total number of events (major event days)	50	28	39	42	-7%	Within 10%	
Wellington Regional Stadium Trust - Total revenue (\$000)	\$16,038	\$11,262	\$14,484	\$13,410	8%	Within 10%	
Wellington Regional Stadium Trust - Event revenue (\$000)	\$6,254	\$3,987	\$4,645	\$3,741	24%	Exceeded	Event revenues were \$4.645m compared to the \$3.741m budget. Sky Stadium hosted 39 major events with an attendance of 287,529. Events include rugby (16), cricket (3), exhibition days (18), a Phoenix game and the SIX60 concert.
Wellington Regional Stadium Trust - Net surplus (\$000)	\$1,742	-\$2,071	\$1,261	-\$860	247%	Exceeded	This result includes \$2.96m grant monies payable by the Council to the concourse upgrade. The total grant of \$5.0m has now been fully paid. Excluding the grant income, the result is a net loss of \$1.70m compared to a budgeted loss of \$3.67m. Most of this variance is from the careful management of overhead expenditure, given the ongoing uncertainties created by COVID-19
4 Oranga ahurea Cultural wellbeing							
4.1 Arts and cultural activities							
High quality events							
Attendees (%) satisfied with Council-delivered arts and cultural festivals	81%	86%	86%	90%	-4%	Within 10%	
Estimated attendance at WCC-supported and delivered events.	619,232	Est. 516,218	NR	516,219	NR	NR	WellingtonNZ no longer report on this measure.
Arts and cultural sector support							
Users (%) satisfied with Toi Pōneke services and facilities	84%	80%	75%	90%	-17%	Not met	Although it appears target has not been met - result is unclear as there was low response rate to survey - n=40.
Users (%) satisfied with Toi Pōneke staff	93.5%	92%	91%	90%	1%	Within 10%	
Funding success							
Grant outcomes (%) achieved (through funded outcomes – four out of five - being met) - Arts and Culture Fund	92%	91%	94%	80%	18%	Exceeded	Arts and Culture Fund: 70 submitted with 66 meeting over 80% (4 out of 5) of their agreed criteria. Officers were satisfied with quality and information provided by organisations in reporting on grants, COVID-19 impacted on several projects, events, festivals and

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
							programmes which were supported, some of whom returned funding for reallocation.
Wellington Museums Trust – utilisation							
Total visitors Museums Trust:	770,320	535,421	405,941	261,700	55%	Exceeded	Overall visitor numbers have done well in a COVID-19 operating environment of closed borders and no international visitors.
City Gallery Wellington	153,676	111,365	88,885	56,200	58%	Exceeded	As above for total numbers
Wellington Museum	132,953	100,165	105,623	56,000	89%	Exceeded	As above for total numbers
Cable Car Museum	288,889	192,915	114,236	79,000	45%	Exceeded	As above for total numbers
Nairn Street Cottage	2,104	706	471	1,000	-53%	Not met	Extra precautions in a COVID-19 environment have had an impact on staffing Experience Wellington sites. As a result, the opening times for Nairn Street Cottage were at times reduced to enable staff to be redeployed to busier sites, affecting visitor numbers
Capital E	137,015	86,821	58,085	45,500	28%	Exceeded	As above for total numbers
Space Place	55,683	43,449	38,641	24,000	61%	Exceeded	As above for total numbers
Wellington Museums Trust - funding support							
Wellington Museums Trust - Full subsidy per visit (average)	\$12.16	\$20.00	\$20.58	\$31.93	36%	Exceeded	
Wellington Museums Trust - Non-Council Revenue (trading and fundraising) (\$000)	\$4,305	\$3,674	\$3,744	\$2,458	52%	Exceeded	
Wellington Museum Trust -Total ownership cost to Council (\$000)	\$9,180	\$ -	\$8,356	\$8,356	0%	Within 10%	
Percentage of visitors who rate the quality of their experience (good or very good)	91%	89.5%	89%	90%	-1%	Within 10%	
5 Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation							
5.1 Recreation promotion and support							
High quality experience							
User satisfaction (%) - pools	97%	88%	90%	90%	0%	Within 10%	
User satisfaction (%) - recreation centres including ASB Sports Centre	93%	88%	89%	90%	-1%	Within 10%	
User satisfaction (%) - sportsfields (grass)	84%	85%	82%	85%	-3%	Within 10%	
User satisfaction (%) - sportsfields (artificial)	91%	94%	91%	85%	7%	Within 10%	
Scheduled sports games and trainings (%) that take place (all sportsfields winter)	87%	91%	77%	85%	-9%	Within 10%	Although within 10% of target, the wet winter season meant a higher number of games and trainings on grass fields were cancelled.
Scheduled sports games and trainings (%)	98%	98%	99%	95%	4%	Within	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
that take place (all sportsfields summer)						10%	
Utilisation							
Artificial sports-field (%) utilisation - peak winter	82%	84%	59%	80%	-26%	Not met	Due to COVID-19 and restrictions on sports bookings.
Artificial sports-field (%) utilisation - peak summer	29%	34%	39%	40%	-3%	Within 10%	
Artificial sports-field (%) utilisation - off-peak winter	18%	14%	8%	25%	-68%	Not met	Due to COVID and restrictions on sports bookings. Average 12% during June/July/August
Artificial sports-field (%) utilisation - off-peak summer	9%	6%	5%	20%	-75%	Not met	Continue to find it difficult to book artificial turfs over summer in off peak times. Also summer utilisation on grass fields was high.
Swimming pool visits (by facility)	1,256,024	1,168,699	1,204,554	1,122,000	7%	Within 10%	
WRAC	576,082	554,441	562,671	496,400	13%	Exceeded	Target was reduced because of COVID-19, however attendance has remained high and above target all year.
Tawa	70,806	77,358	98,481	73,610	34%	Exceeded	Target was reduced because of COVID-19, however attendance has remained high and above target all year. Also increased SwimWell attendance as some classes moved to Tawa from Keith Spry Pool due to its maintenance closure.
Freyberg	216,145	213,154	214,446	187,214	15%	Exceeded	Target was reduced because of COVID-19, however attendance has remained high and above target all year.
Keith Spry	175,122	142,411	133,085	161,075	-17%	Not met	Keith Spry Pool main pool closure has taken longer than expected. Main pool closed in December and will not reopen until August 2021. Reduced numbers with only some SwimWell lessons and the toddlers pool operating.
Karori	164,487	118,739	140,412	155,613	-9.8%	Within 10%	
Thorndon	39,237	45,764	44,727	35,763	25%	Exceeded	Thorndon Pool has remained open during May & June, to help while Keith Spry main pool remains closed for maintenance.
Khandallah	14,145	16,832	10,732	13,175	-19%	Not met	Summer pool which closes in Feb/Mar
Marinas occupancy (%)	98%	97%	97%	96%	1%	Within 10%	
Recreation centre visits (including ASB Sports Centre)	1,288,196	1,083,187	1,077,811	1,165,000	-7%	Within 10%	
ASB Sports Centre court space utilisation (%) - peak	65%	49%	62%	65%	-5%	Within 10%	
ASB Sports Centre court space utilisation	59%	34%	40%	50%	-20%	Not met	Loss of some tournaments and events due to COVID-19.

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
(%) - off-peak							
Number of uses of Leisure Card	156,195	141,548	92,943	148,000	-37%	Not met	New booking system measures leisure card use in a different way. Measure is changing in the LTP.
Berhampore Golf course users	1,773	2,859	4,463	1,770	152%	Exceeded	Continue to have good use casually on the course, and disc golf continues to be really popular.
Affordability							
Residents' (%) perception that pool admission charges are affordable	60%	54.6%	51%	60%	-15%	Not met	This result is steady compared to 2020 (when tracking began) - 51% agree; 18% disagreed in 2020.
Ratepayer subsidy per swim	\$13.60	\$19.63	\$14.25	\$13.60	-5%	Within 10%	
Ratepayer subsidy per court/hour (ASB Sports Centre)	\$6.25	\$6.40	\$6.40	\$6.25	-2%	Within 10%	
City recreation promotion							
Number of international and national events at Council recreation facilities	19	11	12	11	9%	Within 10%	
Estimated attendees of international and national events at Council recreation facilities	60,654	14,772	6,590	14,772	-55%	Not met	COVID-19 continues to have an impact with no international events, and some national tournaments booked in at ASB Sports Centre in August and September, were cancelled.
Basin Reserve Trust							
Basin Reserve - Total event days (excluding practice days)	97	67	93	73	27%	Exceeded	This is above target due to cricket and other sports events, partly offset by lower community cricket events due to hosting the Peachy Keen concert. The venue hosted the Super Smash Grand final in 2021. The recent Beers at the Basin was deemed the most successful. Also welcomed back a music festival for the first time in several years.
Basin Reserve - Attendance at all events	134,858	54415	55,000	15,000	267%	Exceeded	The venue hosted the Peachy Keen concert to a crowd of approximately 4,500. Also welcomed back junior winter sport, with football and rugby fixtures hosted during the weekends from April-July.
Basin Reserve - Practice facility usage days	122	67	111	100	11%	Exceeded	Practice facility usage days exceeds the target and includes international cricket practices for matches at Sky Stadium. With no practice facilities of its own, Sky Stadium contracts the BRT to provide these facilities on its behalf.
Basin Reserve - Number of function days	53	76	101	15	573%	Exceeded	The significant increase is due to the Norwood Room being utilised as a Blood Donor centre for four weeks from 9 November - 4 December 2020.
Basin Reserve - Event income	\$258,282	\$203,856	\$285,611	\$79,100	261%	Exceeded	Event income is well ahead of annual target. This is contributed by international and domestic cricket and

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
							other ground hire events, concession, rental and picket fence income.
Basin Reserve Trust - Operational grant per attendance	\$3.09	\$15.02	\$12.60	\$46.30	73%	Exceeded	This is well above target due to higher attendance numbers than anticipated. High profile ticketed events such as concerts, international and domestic cricket represent about 90% of annual attendance, of which ticketing agents supply accurate data.
Basin Reserve Trust - Council operating grant (\$000)	\$667	\$680	\$694	\$694	0%	Within 10%	
5.2 Community support							
Libraries experience							
User satisfaction (%) with library services	90%	89.7%	86%	90%	-4%	Within 10%	
User satisfaction (%) with library facilities	80%	81.5%	86%	70%	23%	Exceeded	A new baseline target was set at 70% due to the perceived impact of closure of the central library - however year end results for 2019/20 exceeded expectation at 81% and with growth of library facilities across the CBD strong result continued into 20/21 at 86.4% satisfaction.
User satisfaction (%) with library collection (physical)	86%	78.3%	76%	75%	1%	Within 10%	
User satisfaction (%) with library collection (e-library)	69%	72.1%	71%	80%	-11%	Not met	Online services in past years were more 'supplementary' to physical services (most customers used both). When they become the only option accessible at times due to COVID-19 restraints, it is more apparent that they offer a narrower range.
Libraries utilisation							
Library items issued (physical)	2,244,761	1,699,152	3,644,166	2,200,000	66%	Exceeded	It is pleasing that physical issues have increased significantly, given the constraints on physical library services in the last year.
Library items issued (e-library)	475,745	639,203	667,523	340,000	96%	Exceeded	Increased customer take-up of e-library resources. This is an ongoing trend accelerated by Wellington's unique Central library situation and COVID-19.
Estimates of attendees of library programmes	71,717	46,146	48,119	Baseline	NA	NA	Targets for programmes were reset to baseline due to COVID-19 impacting facility closures.
Library physical visits	2,021,003	1,278,708	1,691,775	2,400,000	-30%	Not met	Although target has not been met there was an increase of 22% compared to last year. Visitor numbers are constrained by the Central Library closure and the reduced visitor numbers during COVID-19 alert level changes across the year.
Library website visits	4,840,980	3,935,427	5,468,679	3,300,000	66%	Exceeded	Increased customer emphasis on online services due to

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
							constraints in physical services due to COVID-19.
Residents (%) who are active library users	52%	60.5%	72%	75%	-4%	Within 10%	
Libraries amenity							
Customers (%) who think the library helped them to gain new knowledge and skills	72%	61.1%	59%	70%	-16%	Not met	A lower than anticipated result is likely due to customer perceptions of constrained access to library programmes and services due to the Central Library closure and COVID alert level changes.
Customers (%) who think the library helped them to connect with others and ideas	53%	49.6%	45%	50%	-10.0%	Within 10%	
Customers (%) who think the library helped them to improve their job and earning potential	26%	16.6%	16%	25%	-36%	Not met	A lower than anticipated result is likely due to customer perceptions of constrained access to library programmes and services due to the Central Library closure and COVID alert level changes.
Customers (%) who think the library contributed to their sense of belonging in the community	67%	69.5%	63%	65%	-3%	Within 10%	
Libraries affordability							
Cost to the ratepayer per library transaction	\$2.39	\$3.78	\$2.79	\$3.53	21%	Exceeded	The high positive variance is achieved through an increased transaction level, for example increase in reserves by 115k (28%) in the last year, since the new CBD network has returned to operation.
Community centres utilisation							
Occupancy (%) of Council community centres and halls	42%	34%	30%	45%	-33%	Not met	Wadestown remains at 2.22% occupancy with regular bookings only. Both Linden and Tawa CCs are occupied over 45% with Ngaio Town Hall at 43%. These show the rebound post-COVID. This figure overall will have been affected by the short Level 2 periods when many groups cancelled.
Funding success							
Grants outcomes (%) achieved (through funded outcomes – four out of five – being met) - Social and Recreation Fund	89.7%	90%	91%	80%	13%	Exceeded	54 submitted with 49 over 80% (4 out of 5) of their agreed outcomes. Officers were satisfied with quality and information provided by organisations in their reporting on grants. COVID-19 impacted on a number of projects and programmes which were supported, some of whom returned funding for reallocation via the Grants subcommittee.
Housing quality and usage							
Tenant satisfaction (%) with services and facilities (includes neutral)	94%	91%	93%	90%	4%	Within 10%	
Tenant rating (%) of the overall condition	95%	93%	96%	90%	7%	Within	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
of their house/apartment (average, good, and very good)						10%	
Tenant (%) sense of safety in their complex at night (includes neutral)	84%	78%	81%	75%	8%	Within 10%	
Occupancy rate (%) of available housing facilities	96%	98%	97%	90%	8%	Within 10%	
All (%) tenants (existing and new) housed within policy	99%	99%	99%	98%	1%	Within 10%	
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%	Within 10%	City Housing is in the planning phase for Phase 2 of the Housing Upgrade Programme (HUP2), continuing to undertake works related to the Deed of Grant, as well as undertaking our statutory obligations relating to the Healthy Homes Standards. This is in addition to completing the reporting requirements of the Ministry of Housing and Urban Development (MHUD) relating to the completed portion of Phase 1 of the HUP. We continue to work closely with MHUD as the Crown agency responsible for the Deed in relation to all obligations relating to this agreement.
5.3 Public health and safety							
Compliance							
Food registrations - premises (%) inspected within Food Act regulation required timeframes (new business and existing businesses)	50%	20%	32%	100%	-68%	Not met	Not met due to backlog recreated during COVID-19 Levels 2, 3 & 4.
Efficiency							
Alcohol licences - high to very high premises (%) inspected during peak time	100%	71%	52%	50%	4%	Within 10%	
Alcohol licences - very high risk premises (%) inspected twice during the year	100%	50%	NA	100%	NA	NA	There are no very high risk licenced premises so no inspections required.
Timeliness							
Graffiti removal – response time frames (%) met	91%	84%	92%	80%	15%	Exceeded	We continued to provide support for community mural projects and have positive relationships with and support ongoing clean ups done by schools, corporate volunteers and community groups. Ongoing positive relationship with construction companies aiming at preventing graffiti on construction hoardings.
Dog control - urgent requests (%) responded to within 1 hour	95%	92%	95%	100%	-5%	Within 10%	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
Dog control - non-urgent requests (%) responded to within 24 hours	97%	99%	97%	99%	-2%	Within 10%	
Public toilets - urgent requests (%) responded to within 4 hours	94%	93%	NR	100%	NR	NR	Unable to report on this measure due to change of KPIs under new facilities management contract.
Public toilets - non-urgent requests (%) responded to within 3 days	90%	94%	NR	95%	NR	NR	Unable to report on this measure due to change of KPIs under new facilities management contract.
Hygiene standard							
Toilets (%) that meet required cleanliness and maintenance performance standards	94%	95%	96%	95%	1%	Within 10%	
6 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	61%	52.5%	53%	60%	-11%	Not met	Results in line with previous year.
Residents (%) who agree that regeneration of areas of the city adds to its vibrancy (e.g. laneways)	89%	86.2%	83%	85%	-3%	Within 10%	
Residents (%) who agree that the public areas of their suburban centre - encourage use	71.4%	81%	74%	70%	6%	Within 10%	
Residents (%) who agree that the public areas of their suburban centre - feel safe	73.9%	80.8%	74%	70%	5%	Within 10%	
Residents (%) who agree that the public areas of their suburban centre - are well designed	43.2%	48.7%	42%	40%	5%	Within 10%	
Economic impact of urban regeneration projects (specific methodology to be scoped)	No urban regeneration projects delivered within reporting period.	Analysis incomplete and not reported at this time	No urban regeneration projects delivered within reporting period.	Baseline being established	NR	NR	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 opened in December 2019, however analysis on any economic uplift will not be evident for several years because of COVID-19. Therefore, baseline is still being established.
Protecting heritage							
Residents (%) who agree that heritage items are adequately valued and protected in the City	63%	58.2%	50%	70%	-29%	Not met	Perception that heritage items contributing to the city / community's unique character and that they are appropriately valued and protected, continued declining trend. This particular result is likely to have been influenced by the debate on the Spatial Plan

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
							which was adopted in June.
Number of heritage-listed buildings that are earthquake prone	143	132	128	119	-8%	Within 10%	
Residents (%) who agree that the character of historic suburbs is adequately retained	63%	59.3%	54%	70%	-23%	Not met	Agreement that character of historic suburbs is adequately retained has fallen from 63% in 2019. This particular result is likely to have been influenced by the debate on the Spatial Plan which was adopted in June.
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	48%	36%	21%	45%	-54%	Not met	Agreement the Council is striking the balance between development and preserving the character of the city fell 15 percentage points to 21% agreement. This statement has also fallen from 48% agreement in 2019. This particular result is likely to have been influenced by the debate on the Spatial Plan which was adopted in June.
Timeliness							
Building consents (%) issued within 20 working days	89%	79%	95%	100%	-5%	Within 10%	Performance improved later in the year. Access to external geo-tech and structural engineering advice for consents is still the main constraint on work flow. This has been compounded with Christchurch City Council pausing any external work to support regional flood clean-up.
Code of compliance certificates (%) issued within 20 working days	88%	94%	95%	100%	-5%	Within 10%	
Land Information Memorandums (LIMs) (%) issued within 10 working days	58%	85%	64%	100%	-36%	Not met	The performance of the LIM team during Q2 was impacted by embedding a new process to access WCC's archive information, resulted in most LIMs exceeding statutory timeframes. Additional staff cleared the backlog and targets were met for the rest of the year.
Resource consents (non-notified) (%) issued within statutory time frames	95.5%	92.98%	80%	100%	-20%	Not met	Decrease on previous results due to backlog created from vacancies in consenting team.
Resource consents (%) that are monitored within 3 months of project commencement	96.3%	93.02%	93%	100%	-7%	Within 10%	
Subdivision certificates – Section 223 certificates (%) issued within statutory timeframes	98.5%	96%	97%	100%	-3%	Within 10%	
Noise control (excessive noise) complaints (%) investigated within 1 hour	95.98%	98%	96%	90%	7%	Within 10%	

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
Customer focus							
Customers (%) who rate building control service as good or very good	65.4%	63.8%	64%	70%	-9%	Within 10%	
Customers (%) who rate resource consent service as good or very good	91%	93%	92%	90%	2%	Within 10%	
Compliance							
Building Consent Authority (BCA) accreditation retention	Retained	Retained	Retained	To retain	0%	Within 10%	
7 Waka Transport							
7.1 Transport network							
Network condition and maintenance							
Roads (%) that meet smooth roads standards* All roads	73%	72%	72%	70%	3%	Within 10%	
Structures (%) that have been condition rated in the past five years - walls	69%	80%	89%	100%	-11%	Not met	Up from 80% in 2019-20.
Structures (%) that have been condition rated in the past five years - bridges and tunnels	100%	100%	100%	100%	0%	Within 10%	
Structures (%) in serviceable (average) condition or better - walls	90%	91%	91%	97%	-6%	Within 10%	
Structures (%) in serviceable (average) condition or better - bridges	100%	100%	100%	100%	0%	Within 10%	
Structures (%) in serviceable (average) condition or better - tunnels	75%	100%	100%	100%	0%	Within 10%	
Residents (%) satisfied with street lighting in the central city	78%	77.5%	70%	85%	-17%	Not met	Satisfaction with lighting in the central city fell compared to last year where 78% were satisfied, 84% were satisfied in 2018.
Residents (%) satisfied with street lighting in suburbs	59.6%	58.7%	59%	75%	-22%	Not met	Current levels are a little higher than when tracking began in 2014 (where 51% were satisfied).
Requests for service (%) response rate - urgent within 2 hours*	95.8%	96%	52%	98%	-47%	Not met	Based off data for October -June due to change of customer enquiry management system.
Requests for service (%) response rate - non-urgent within 15 days*	96%	98.6%	93%	98%	-5%	Within 10%	
Footpaths (%) in average condition or better (measured against WCC condition standards*)	99%	97%	97%	96%	1%	Within 10%	
Sealed local road network (%) that is resurfaced*	7.0%	5.6%	6.7%	9%	-29%	Not met	Up from 5.9 in 2019-20. The new strategy to use more chipseal is in place for 2021-22.
Residents (%) satisfaction with the condition of local roads in their	72%	69.2%	63%	75%	-16%	Not met	'Good' ratings have been trending down marginally over the past four surveys, with 73% rating the condition

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
neighbourhood							of the roads good in 2018.
Active modes promotion							
Number of pedestrians entering and leaving the CBD (weekdays 7-9am)	14,569	11,550	13,910	11,551	20%	Exceeded	The survey was completed 8-12 March, Auckland was at COVID Alert level 2 and the rest of NZ was at Alert Level 1. Until 7 March Auckland was at COVID Alert level 3 and the rest of NZ was at Alert Level 2.
Number of cyclists entering and leaving the CBD (weekdays 7-9am)	2,360	2,521	2,900	2,522	15%	Exceeded	As above
Network safety							
Residents (%) who are satisfied with walking on the transport network	87%	77.5%	70%	75%	-7%	Within 10%	
Residents (%) who are satisfied with cycling on the transport network	33%	34.1%	35%	75%	-53%	Not met	There was more dissatisfaction than satisfaction amongst respondents for cycling on Wellington's cycleways (45% dissatisfied, 35% satisfied). This analysis excluded 55% of respondents who could not give an opinion of cycling on Wellington's cycleways.
Network efficiency and congestion							
Residents (%) who think peak travel times are acceptable	35%	36.8%	34%	50%	-32%	Not met	Around a third (34%) of respondents who travel into or through central Wellington during peak times believed that peak travel volumes were acceptable. This measure has remained steady for the last three surveys, however tracking back to 2014 shows that this measure has been falling overtime with 53% saying peak traffic volumes were acceptable in 2014.
Peak travel times between CBD and suburbs (Karori, Johnsonville, Island Bay and Miramar)	98%	98%	99% of timed runs < 25 min	100%; # of timed runs < 25 min	-1%	Within 10%	
PT enablement							
Bus stops (%) that have a shelter (co-delivered with GWRC)	31%	37%	37%	30%	23%	Exceeded	Baseline target was not reset in 2020/21 Annual Plan so still reporting against target of 30%
Wellington Cable Car Limited							
Cable Car - Total passenger trips	1,170,932	862,487	563,467	516,957	9%	Within 10%	
Cable Car - user satisfaction survey	new	Achieved 6.4 on 7 point scale	Refer comment	To achieve	-4%	Within 10%	Methodology changed in 2020/21 SOI. Wellington Cable Car NPS for the year is 71, and the CXI Benchmark NPS is 73. This means that the Cable Car's NPS sits 3.5% below the benchmark for the year. Trip Advisor Rating: Achieved - average for the year of 4.21 out of 5. Google Review Rating: Achieved - average for the year of 4.5 out of 5
Cable Car - Fare revenue (\$000)	\$3,582	\$2,783	\$1,644	\$1,438	14%	Exceeded	Fare revenue is favourable to budget (\$1.438m).

Performance measure	2018/19 Actual	2019/20 Actual	2020/21 Actual	2020/21 Target	% Var.	Result	Variance Comments
							Compared to prior years, revenue is heavily impacted by the absence of international visitors, especially cruise ship passengers to Wellington. The opening of the trans-Tasman bubble in Q4 has not seen a dramatic increase in passenger numbers.
Cable Car - Reliability (%)	89.5%	99.9%	99.94%	99%	1%	Within 10%	
Cable Car - Non-council revenue earned (\$000)	\$4,115	\$-	\$1,754	\$1,546	13%	Exceeded	
7.2 Parking							
Equity							
Residents (%) who perceive that parking enforcement is fair	43%	38.2%	41%	50%	-18%	Not met	Results have been consistent for the past three surveys, however between 2015 and 2018 around 50% agreed that parking enforcement was fair.
Availability							
City parking occupancy % during weekdays (08:00-18:00)	57%	46%	54%	60%	0%	Within 10%	
City parking occupancy % during weekends (08:00-18:00)	57%	37%	49%	60%	-100%	Not met	Occupancy remains low on weekends but has been trending on average at over 50%, however with the move to alert level 2 in the last weekend of June, occupancy for that weekend was significantly reduced which in turn has impacted the result for the quarter
Residents (%) satisfaction with the availability of on-street car parking (weekdays)	26%	22.4%	27%	70%	-61%	Not met	This year's results are largely consistent with results in previous surveys.
Residents (%) satisfaction with the availability of on-street car parking (weekend)	27%	28.6%	30%	70%	-57%	Not met	As above

Draft

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, groups and business units, organisational structure and staff.

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Te Kaunihera o Pōneke | Our Council

Made up of elected members, the essence of the Council's role is to set directions and priorities, and to provide oversight of the organisation.

Te Kaunihera o Pōneke | Wellington City Council is made up of the Mayor and 14 Councillors, one of whom serves as Deputy Mayor.

Along with all 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 who are eligible to vote. The Councillors are elected by voters from their respective geographical areas (wards). The Deputy Mayor is appointed by the Mayor.

The next election will be held on 8 October 2022 under the single transferable vote system (STV), and will include the introduction of a Māori ward.

Setting the direction

Te Kaunihera o Pōneke | Wellington City Council is the governing body for Wellington, responsible for setting direction and priorities for the city through policy decisions and the Long-term and Annual Plan processes.

The Council appoints the Chief Executive, who is responsible for delivering the services needed to fulfil its direction.

Under the Local Government Act 2002, certain powers are reserved for the elected Council.

These powers include setting bylaws and rates, setting the city's budget and direction through long-term and annual plans, making decisions about borrowing money and buying or selling assets, setting up and giving powers to Council committees and subcommittees, determining how Council meetings will be run, setting a code of conduct for elected representatives, 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.

Councillors also engage with the community on most decisions being made, ensuring people can have their say, and contribute to and influence how their city is shaped.

Altogether, the Council strives to ensure our decision-making processes are fair, transparent and robust.

Your elected members

The Mayor is the leader of the Council and has the statutory role to lead the Councillors and people in the district.

The Mayor will lead the development of the Council's plans, policies and budgets for consideration by the Council, is the primary Council spokesperson and leads central government liaison, supported by relevant councillors.

Alongside making city-wide decisions, Councillors are responsible for representing those from the geographical area (ward) that elected them. This involves meeting people and organisations and advocating on their behalf or addressing any issues they may face. However, Councillors make decisions based on what is good for all Wellingtonians.

For details of Mayor, Deputy Mayor and Councillors' remuneration, see Note 37 in Section 5: Financial statements on [pg X](#).

More information the Councillors and any external appointments they hold is at wellington.govt.nz/your-council/about-the-council/mayor-and-councillors

Mayor Andy Foster

Elected: 1992 as Councillor to Wharangi/Onslow-Western Ward, and Mayor in 2019

Chair: Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

Deputy Chair: Pūroro Maherehere | Annual Plan/Long-term Plan Committee

Contact: mayor@wcc.govt.nz

Deputy Mayor Sarah Free Motukairangi/Eastern Ward

Elected: 2013, and appointed Deputy Mayor in 2019

Deputy Chair: Te Kaunihera o Pōneke | Wellington City Council, and Ngutu Taki | CEO Performance Review Committee

Contact: sarah.free@wcc.govt.nz

Councillor Diane Calvert Wharangi/Onslow-Western Ward

Elected: 2016

Chair: Pūroro Tahua | Finance and Performance Committee

Contact: diane.calvert@wcc.govt.nz

Councillor Jenny Condie Takapū/Northern Ward

Elected: 2019

Deputy Chair: Pūroro Waihangā | Infrastructure Committee, and Kāwai Māhirahira | Audit & Risk Subcommittee

Contact: jenny.condie@wcc.govt.nz

Councillor Jill Day Takapū/Northern Ward

Elected: 2016

Chair: Pūroro Rangaranga | Social, Cultural & Economic Committee

Contact: jill.day@wcc.govt.nz

Councillor Fleur Fitzsimons Paekawakawa/Southern Ward

Elected: 2017 by-election

Chair: Kāwai Whakatipu | Grants Subcommittee

Contact: fleur.fitzsimons@wcc.govt.nz

Councillor Laurie Foon
Paekawakawa/Southern Ward

Elected: 2019

Deputy Chair: Pūroro Tahua | Finance & Performance Committee

Contact: laurie.foon@wcc.govt.nz

Councillor Rebecca Matthews
Wharangi/Onslow-Western Ward

Elected: 2019

Chair: Pūroro Maherehere | Annual Plan/Long-term Plan Committee

Contact:
rebecca.matthews@wcc.govt.nz

Councillor Teri O'Neill
Motukairangi/Eastern Ward

Elected: 2019

Deputy Chair: Kāwai Whakatipu | Grants Subcommittee

Contact: teri.oneill@wcc.govt.nz

Councillor Iona Pannett
Pukehinau/Lambton Ward

Elected: 2007

Chair: Pūroro Āmua | Planning & Environment Committee

Contact: iona.pannett@wcc.govt.nz

Councillor Tamatha Paul
Pukehinau/Lambton Ward

Elected: 2019

Deputy Chair: Pūroro Āmua | Planning & Environment Committee

Contact: tamatha.paul@wcc.govt.nz

Councillor Sean Rush
Motukairangi/Eastern Ward

Elected: 2019

Chair: Pūroro Waihanga | Infrastructure Committee

Contact: sean.rush@wcc.govt.nz

Councillor Malcolm Sparrow
Takapū/Northern Ward

Elected: 2013

Chair: Pūroro Hātepe | Regulatory Processes Committee

Contact: malcolm.sparrow@wcc.govt.nz

Councillor Simon Woolf
Wharangi/Onslow-Western Ward

Elected: 2013

Deputy Chair: Pūroro Hātepe | Regulatory Processes Committee

Contact: simon.woolf@wcc.govt.nz

Councillor Nicola Young
Pukehinau/Lambton Ward

Elected: 2013

Deputy Chair: Pūroro Rangaranga | Social, Cultural & Economic Committee

Contact: nicola.young@wcc.govt.nz

Independent Wellington City Council Governance Review

In February 2021, Peter Winder of McGredy Winder was appointed to conduct a governance review of Wellington City Council.

A final report, entitled 'Wellington City Council Governance Review', was provided on 18 April 2021 and included 13 recommendations to improve governance performance. It is available in full online at <https://wgtn.cc/governance-review-2021>

In May 2021 the Council accepted all of the recommendations, with responses to most having been implemented either in full or in part, including adopting a new committee structure and removing the portfolio system that had previously been in use. Several further responses will be implemented in quarters 1 and 2 of 2021/22.

Code of Conduct and Conflicts of interest

The Code of Conduct for Elected Members provides guidance on the standards of behaviour that are expected from the Mayor and other Elected Members.

Both the Code of Conduct and Councillor's responsibilities to declare conflicts of interest were covered extensively as part of the induction programme after the 2019 election.

Code of Conduct Complaints

The Code of Conduct applies to all 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.

The following table shows all Code of Conduct complaints considered during the 2020/21 financial year:

Received	Elected Member	Complainant	Upheld?	Resolved
June 2020	Councillor Sean Rush	Member of the Public	Yes	August 2020
Nov 2020	Mayor Andy Foster	Councillor Jenny Condie	Yes	May 2021
June 2021	Councillor Fleur Fitzsimons	Member of the Public	No	June 2021
June 2021	Councillor Laurie Foon	Member of the Public	No	June 2021

Conflict of Interest Declarations

At the start of the triennium, all councillors were asked to declare their interests. 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.

How decisions are made

The elected members of Wellington City Council conduct their business and make decisions at open and publicly advertised council, committee and subcommittee meetings.

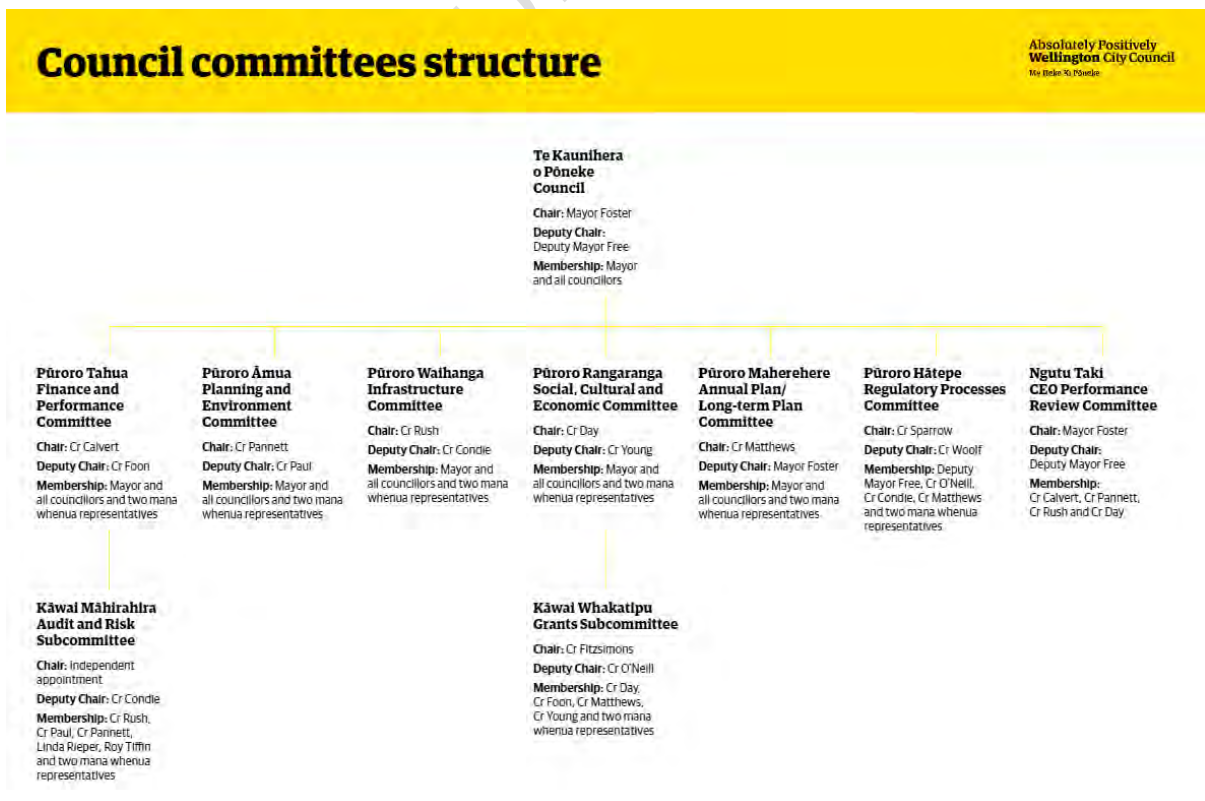
The Council also has elected Community Boards that make decisions for set areas in the city, and Advisory Groups that provide advice to elected members from the perspective of their specialist areas.

Committees and subcommittees

The Mayor put in place the current structure of committee and subcommittees following the Independent Wellington City Council Governance Review in March 2021 (more on [pg X](#)).

The current structure came into effect on 1 June 2021. Previously, the committee structure consisted of the Council and one main committee, Strategy and Policy, which met weekly, supported by several other committees that met less frequently.

From 1 July 2021, committees will also include representatives from each of our two Wellington iwi: Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira



Councillor meeting attendance

The meeting attendance figures relate to Council, committees, and subcommittee meetings of which the councillor is a member.

The meeting attendance figures 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 Council.

Elected members	Meetings held	Meetings Attended	
Mayor Andy Foster	91*	71	78%*
Deputy Mayor Sarah Free	78	76	97%
Councillor Diane Calvert	72	70	97%
Councillor Jenny Condie	83	81	98%
Councillor Jill Day	73	73	100%
Councillor Fleur Fitzsimons	73	73	100%
Councillor Laurie Foon	77	77	100%
Councillor Rebecca Matthews	82	82	100%
Councillor Teri O'Neill	78	78	100%
Councillor Iona Pannett	75	75	100%
Councillor Tamatha Paul	73	70	96%
Councillor Sean Rush	73	71	97%
Councillor Malcolm Sparrow	78	77	99%
Councillor Simon Woolf	77	76	99%
Councillor Nicola Young	73	72	99%
Total meetings held:	93		

* Mayor is ex-officio on all Council committees and subcommittees; therefore, attendance percentage is not comparable with other elected members.

Community boards

Wellington City Council has two community boards constituted under section 49 of the Local Government Act 2002 – Tawa Community Board and Makara/Ōhāriu Community Board. Both community boards have six members elected triennially by the electors in the respective communities.

Tawa Community Board

Chair: Robyn Parkinson

Deputy Chair: Jackson Lacy

Members: Malcolm Alexander, Graeme Hansen, Richard Herbert, and Anna Scott

Council Appointed Members: Cr Malcolm Sparrow and Cr Jill Day

The Tawa Community Board met 10 times in 2020-21. It discussed matters affecting the community, including: the three waters, the Long-term Plan, roading, the Linden Development Rest Programme, public transport and Kāhui Ako.

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: Nine grants were made totalling \$15,000.

Makara/Ōhāriu Community Board

Chair: John Apanowicz

Deputy Chair: Christine Grace

Members: Darren Hoskins, Chris Renner, Wayne Rudd, and Hamish Todd.

The Makara/Ōhāriu Community Board met eight times in 2020-21. It discussed matters affecting the community, including: ongoing challenges with roading repairs and general maintenance in Makara and Ōhāriu, upgrades to the community halls, the Makara school temporary relocation, and engaging with the Cemetery Management Plan Review.

Advisory Groups

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

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 understand Council processes, participate in the Council decision-making processes, and help the Council understand the needs of their communities and how those may be addressed. They are not seen as representing all views on their specialist areas or communities in Wellington.

Review of advisory groups

In December 2020, Council adopted several changes to the way in which the advisory groups operate following an independent review.

Council also decided to establish a new advisory group – the Rainbow Communities Advisory Group, which will commence in July 2021.

Our six advisory groups are: Accessibility Advisory Group; Environmental Reference Group; Pacific Advisory Group; Rainbow Communities Advisory Group; Safe & Sustainable Transport Forum; and Youth Council.

Accessibility Advisory Group (AAG)

Co-chairs: Rachel Noble and Nick Ruane

Members: Amy Evanson, Erikka Helliwell, Rosie MacLeod, Stuart Mills, Solmaz Nazari Orakani, Alan Royal and Nick Ruane.

AAG met 12 times and provided feedback and advice to Council on: Let's Get Wellington Moving, Advisory Group review, Strategic Priorities, City Housing, City Events, and Cemeteries Management Plan Review

Environmental Reference Group (ERG)

Chair: Lynn Cadenhead

Members: Steven Almond, Mike Britton, Arron Cox, Isla Day, Sally Faisandier, George Hobson, Clare Stringer, Michelle Rush, Chris Watson and Eleanor West

ERG met 13 times and provided feedback and advice to Council on: Te Atakura, Te Ngākau Civic Square and the Central Library, the Long-term Plan, the Waste Management and Minimisation Bylaw, Advisory Group Review, Three Waters Reform, and the Draft Spatial Plan.

Pacific Advisory Group (PAG)

Chair: Jocelyn Kua

Deputy Chair: Anthony Carter

Members: Mino Cleverley, Natalia Fareti, Sunia Foliaki, Kira Hundleby, Ofania Ikiua, Aseri Kua, Sai Lealea, Merio Marsters, Alvin Mitikulena, and Lisa Pouvalu

PAG has specific membership requirements to ensure it represents a broad range of the Pasifika communities in Wellington, including up to 17 members.

PAG met nine times and provided feedback and advice to Council on: the Long-term Plan, Aho-Tini 2030, Gambling Venues Policy, Let's Get Wellington Moving, and Cemeteries Management Plan Review.

Safe & 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.

These organisations include Greater Wellington Regional Council, Living Streets Wellington, Cycle 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 met four times during 2020-21, either online or in person.

Youth Council

Chair: Ella Flavell until March 2021, then Laura Jackson

Deputy Chair: Laura Jackson until March 2021, then Ella Flavell

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

Youth Council met 18 times and provided feedback and advice to Council on: Aho-Tini 2030, the Long-term Plan 2021-31, the Spatial Plan, the Cemeteries Management Plan, the Solid Waste Bylaw, and Let's Get Wellington Moving.

Youth Council was particularly involved in the development of the Children and Young People Strategy.

Draft - subject to Audit

Our organisation

The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. The Chief Executive is the sole employee of the elected Council and is the employer of all other staff.

The Executive Leadership Team supports the Chief Executive to provide advice to the Council, manage the Council organisation and implement Council decisions. The team is made up of eight members, who lead functional Groups based on key areas of focus.

Alongside the Council organisation, the Council has established several Council-controlled organisations to help it achieve its goals for Wellington. The governance structures and purposes of those organisations are profiled here. Any related performance information is detailed in Section 2: Our performance in detail.

Executive team and structure

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 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.

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 this 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 to her role in July 2019. 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 staff wellbeing, organisational culture, staff engagement and building capability including leadership development.

James Roberts

Chief Digital Officer

James joined the 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, developing an information and data-driven organisation and an internal change programme "Working Better Together".

Claire Richardson

Chief Operating Officer

Claire was appointed as Chief Operating Officer (COO) 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 a broad portfolio of customer and community operations including parks, sport and recreation; arts, culture and community services; libraries and community spaces; parking services; city housing and the Council's working relationship with Council-controlled organisations.

Claire resigned in May 2021. James Roberts has moved into the Acting Chief Operating Officer role while recruitment takes place. The title for the new appointment has been renamed to Chief Customer and Community Officer. Nadia Webster was then appointed Acting Chief Digital Officer.

Sara Hay

Chief Financial Officer

Sara Hay was appointed as Chief Financial Officer (CFO) in July 2020. She was previously in senior leadership roles at Auckland Council and, prior to that, at the Ministry of Business, Innovation and Employment and Accident Compensation Corporation.

In her role, she is responsible for financial strategy and planning, financial accounting, transactional services, funding and treasury, commercial partnerships and procurement. A strategic focus area for the CFO is identifying new financing and funding arrangements to satisfy the city's infrastructure investment requirements.

Liam Hodgetts

Chief Planning Officer

Liam joined the Council on 5 October 2020 from New Plymouth District Council, where he was the Group Manager Strategy, overseeing district planning, consenting, strategic projects, governance, policy, iwi relationships and community partnerships. He has more than 16 years' experience as a senior executive in local government.

In his role, he is responsible for city planning and environment (including the Spatial Plan and District Plan), city design and place planning, housing development, climate change response and city consenting and compliance.

Tom Williams

Chief Infrastructure Officer

Tom joined the Council on 28 September 2020 from Palmerston North City Council, where he was also the Chief Infrastructure Officer. Tom has more than 20-years' experience in senior leadership roles within large and complex organisations, with a focus on asset management, property management and engineering.

In his role he was responsible for city transport and infrastructure, strategic asset management, delivery of significant capital programmes and projects, city resilience, emergency management and property management.

Tom resigned from the role in June 2021 and left in July. Mike Mendonca has been appointed as Acting Chief Infrastructure Officer while recruitment takes place.

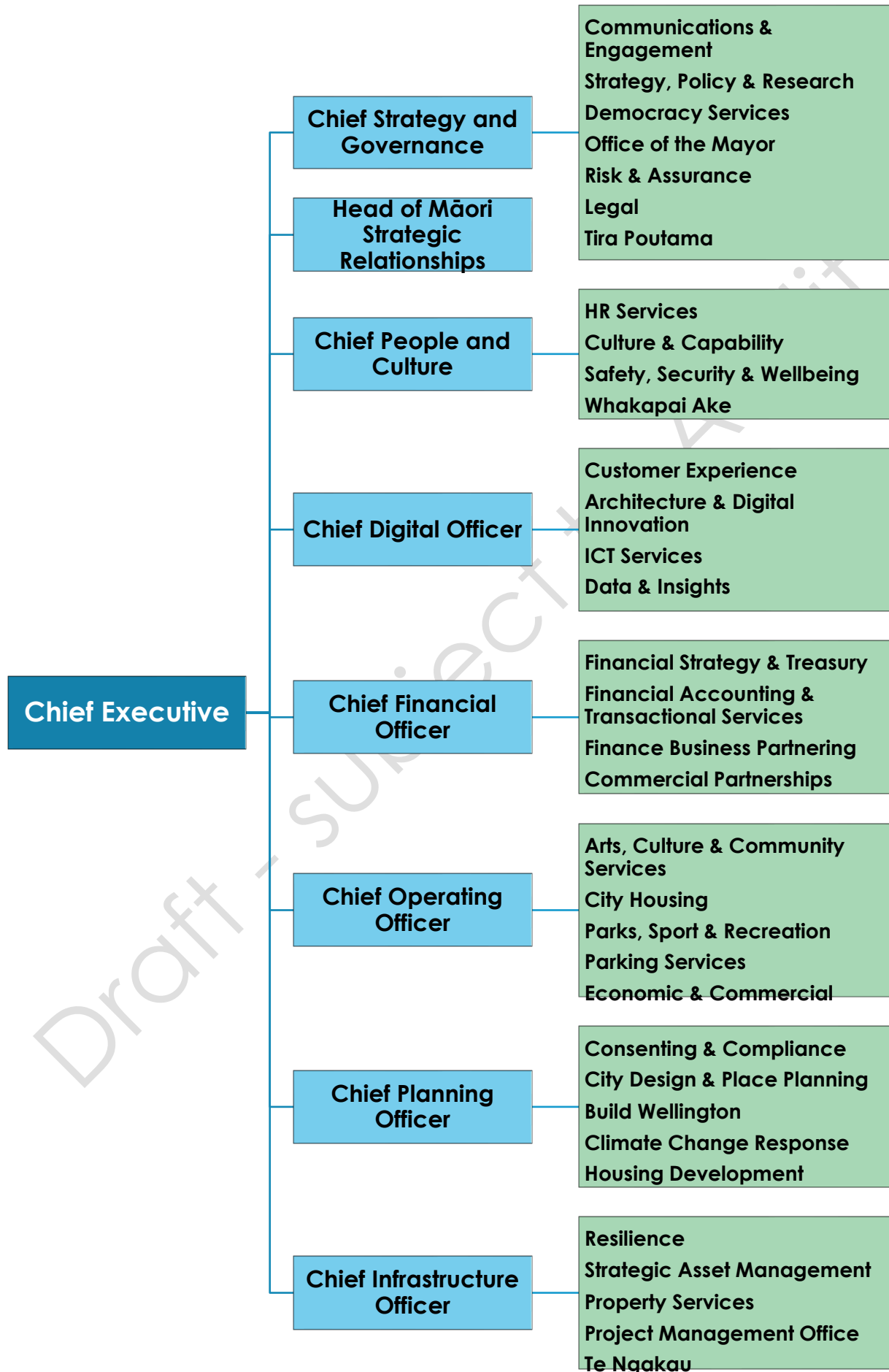
Karepa Wall

Head of Māori Strategic Relationships

Karepa Wall, of Manukorihi, Taranaki, Ngāti Ruanui, Ngāti Tūwharetoa and Te Ati Awa descent, joined Council in September 2020 from the Ministry of Education for this inaugural position on the Executive Leadership Team. His position was created to reflect the wider focus on prioritising relationships, partnerships and engagements for Māori success.

In his role, he is responsible for championing Te Ao Māori throughout the organisation to strengthen our relationships, presence and intelligence so that Māori are engaged in Wellington's future. This is achieved through leading the Māori Partnerships team, the Māori Strategic Team and the Māori Success Team.

Organisation chart – Groups and business units



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

Council-controlled organisations

Alongside our seven groups and business units, Wellington City Council has seven Council-controlled 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.

The Wellington Regional Stadium 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.

The organisations are:

- **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
- **Wellington Water** manages all three water services for Hutt, Porirua, Upper Hutt and Wellington city councils, and South Wairarapa District Council.
- **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 Section 2: Our performance in detail or their respective annual reports.

The governance arrangements for each of the organisations are outlined below.

Basin Reserve Trust

The Basin Reserve Trust is responsible for the operation and management of Wellington's Basin Reserve. It is the home of Cricket Wellington and the home ground for the Wellington Blaze (women) and Wellington Firebirds (men) cricket teams. It is also a busy route for commuters on cycles, riding scooters and walking to and from the city.

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 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).

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.

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.

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.

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.

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 facilities, 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.

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.

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

The board of directors is: Tracey Bridges (Chair), Matt Clarke, Thomas Pippos, 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.

Wellington Regional Stadium Trust

The Trust owns, operates and maintains the Sky Stadium as a high-quality multi-purpose sporting venue. The stadium, opened in 2000, also hosts musical and cultural sponsored events, a variety of trade shows, plus community events. The Stadium is home to the Hurricanes and 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 board of trustees is 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 included here in a similar fashion for this reason.

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) – Hutt City Council, Wayne Guppy (Deputy Chair) – Upper Hutt City Council, Alex Beijen – South Wairarapa District Council, Sean Rush – Wellington City Council, Anita Baker – Porirua City Council, Jenny Brash – Greater Wellington Regional Council, Taku Parai – Te Rūnanga O Toa Rangatira, and Kim Skelton – Taranaki Whānui ki te Upoko o te Ika. The Chief Executive is Colin Crampton.

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.

Making ourselves accountable

We make ourselves accountable in many ways. This Annual Report is one. It explains what we did during 2020/21, 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.

All meeting agendas and reports are made public at least two days before meetings. The minutes of our meetings are made available on our website and we also live stream all of our committee and Council meetings.

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

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.

Internal control systems at the Council define clear responsibilities and accountabilities across the organisation. Regular assurance is provided that these 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. The Audit and Risk Subcommittee (A&Rs) approves and oversees this work programme.

Managing risks

The Council conducts strategic risk assessments to identify the big external challenges that could prevent us from functioning and delivering well. We follow international standards and use an evidence-based approach to determine the likelihood and severity of our risks. We assess threats such as major earthquakes, pandemic outbreaks, and cyberattacks to understand the impacts these events could have. We do this so we can make informed decisions about how we manage risks and reduce potential harm to our organisation, our city, and its people.

A&Rs has governance oversight of risk management systems, processes, and organisational risk management capability. This subcommittee receives quarterly reports related the efficacy of risk management practices, as well as an overview of the Council's Strategic risk profile.

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.

It met twice in the 2020-2021 year. The subcommittee meets quarterly or as required; one meeting in 2020 was cancelled.

This triennium membership of the subcommittee was: Councillor Diane Calvert (Chair), Councillor Jenny Condie (Deputy Chair), Mayor Andy Foster, Councillor Iona Pannett, Councillor Tamatha Paul, Councillor Sean Rush, Roy Tiffin (External), and Linda Rieper (External).

The external appointments to A&Rs 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.

Draft - subject to Audit

Our staff

Our people are our strength. We have many talented, hard-working staff across Council, and much to celebrate and be proud of. The diversity of our people enables us to better represent the communities we serve.

He tangata – People

Our staff take pride in their work and the impact that it has in the communities they serve. Overwhelmingly, they express that the best part of their job is the ability to contribute meaningfully to the city and its communities.

This year in our annual engagement survey, Kōrero Mai, our staff expressed deep connection to the work they were doing and the goals and priorities of the Council. They continue to state that they are being led and managed well, enjoy working at Council, think it is a great place to work and feel in control of the work that they do.

Staff by group and employee class

Group	Permanent		Fixed Term		Casual	Head count	FTE
	Full-Time	Part-Time	Full-Time	Part-Time			
Chief Executive's Office	3	0	0	0	0	3	3.0
Customer and Community	465	499	22	17	82	1,085	710.5
Finance and Business	47	5	1	0	0	53	50.3
Infrastructure and Delivery	135	18	5	0	7	165	156.0
People and Culture	46	2	3	0	0	51	50.4
Planning and Environment	215	15	15	4	1	250	244.9
Smart Council	105	15	6	4	0	130	124.0
Strategy and Governance	80	7	8	1	0	96	93.9
Total	1,096	561	60	26	90	1,833	1,433.9

*excludes contractors

Staff by employee class

	# Staff	Ratio
Permanent	1,657	90%
Fixed Term	86	5%
Casual	90	5%
Total	1,833	100%

*excludes contractors

Staff by employee type

	# Staff	Ratio
Full-Time	1,156	63%
Part-Time	587	32%
Casual	90	5%
Total	1,833	100%

*excludes contractors

Staff by employee class, gender and age

Employee class	Age Brackets	Female	Male	Grand Total
Permanent	< 25yrs	230	141	371
	25 - 40yrs	318	276	594
	41 - 55yrs	232	201	433
	56 - 60yrs	61	68	129
	61yrs+	64	66	130
Permanent Total		905	752	1,657
Fixed Term	< 25yrs	18	4	22
	25 - 40yrs	20	20	40
	41 - 55yrs	10	3	13

Employee class	Age Brackets	Female	Male	Grand Total
	56 - 60yrs	4	1	5
	61yrs+	5	1	6
Fixed Term Total		57	29	86
Casual	< 25yrs	33	19	52
	25 - 40yrs	13	9	22
	41 - 55yrs	4	4	8
	56 - 60yrs	0	1	1
	61yrs+	5	2	7
Casual Total		55	35	90
Grand Total		1,017	816	1,833

*excludes contractors

Staff by length of service, gender and age

Gender	Length of Service	< 25yrs	25 - 40yrs	41 - 55yrs	56 - 60yrs	61yrs+	Grand Total
Female	0 - 1 yr	121	80	30	5	5	241
	1 - 2 yrs	61	71	19	5	4	160
	2 - 5 yrs	92	121	75	8	10	306
	5 - 10yrs	7	55	51	8	12	133
	10 - 15yrs	0	18	29	14	11	72
	15 - 20yrs	0	5	24	12	12	53
	20 - 25yrs	0	1	13	11	9	34
	25 - 30yrs	0	0	4	1	2	7
	30 - 35yrs	0	0	1	0	6	7
Over 35yrs	0	0	0	1	3	4	
Female Total		281	351	246	65	74	1,017
Male	0 - 1 yr	63	60	29	2	3	157
	1 - 2 yrs	33	53	26	3	3	118
	2 - 5 yrs	57	95	36	18	8	214
	5 - 10yrs	11	77	43	16	7	154
	10 - 15yrs	0	13	29	10	11	63
	15 - 20yrs	0	6	26	6	10	48
	20 - 25yrs	0	1	7	2	8	18
	25 - 30yrs	0	0	3	4	2	9
	30 - 35yrs	0	0	6	4	10	20
Over 35yrs	0	0	3	5	8	16	
Male Total		164	305	208	70	70	817
Grand Total		445	656	454	135	144	1,834

Staff attrition

Reporting Period	Voluntary Attrition	Involuntary Attrition	Turnover (%)
1 July 2018 - 30 June 2019	20.9%	1.7%	22.6%
1 July 2019 - 30 June 2020	17.7%	1.4%	19.1%
1 July 2020 - 30 June 2021	19.0%	1.2%	20.2%

Staff awards

Due to COVID level 2 restrictions our 2020 awards were postponed until the 2020/21 year. This was the second year we ran 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 demonstrate leadership potential.
- **Leadership:** Recognises individuals who positively influence others by demonstrating good leadership. The award is open to any staff member - 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 during the COVID-19 response.

In 2020 we received 127 nominations for the awards, which is 50 more than in 2019. The following themes featured strongly in the citations for the winning staff at the November 2020 awards ceremony.

- Going above and beyond and taking on extra work to support a colleague while continuing to show immense care and respect to our customers.
- Completed a major project on time and on budget while introducing new ways of working, which were adopted across the Council as best practice.
- Demonstrating strong sector leadership by initiating a contractor health and safety breakfast in order to show appreciation and demonstrable concern for the health and safety for those who work on behalf of the Council.
- Leading the response in food procurement during lockdown ensuring disadvantaged people had food.
- Rapidly rolling out new technology in a short space of time to all staff to ensure the organisation could effectively work from home during lockdown.

Mahi Ngātahi – We Collaborate

Inclusion

The Council is committed to being an inclusive and diverse organisation. Our current Diversity and Inclusion strategy – Mō te Katoa – has stood us in good stead, but we are ambitious for greater levels of inclusion.

This year we have increased our commitment to inclusion by investing time and resources into setting a new direction and re-building our foundations. Our commitment to inclusion this year included:

- A new Principal Advisor role dedicated to inclusion and building an engaged, inclusive workplace culture.
- Refreshing our diversity and inclusion strategy. The focus being on inclusion with diversity and wellbeing as core components.

- Supporting the re-instatement of Council staff networks (e.g. Women's network, and Queer@Council) and the creation of new networks (e.g. Young professionals)
- Developing resources and funding for networks to have influence and develop capability.
- Increasing cultural awareness through a series of workshops run by staff from various cultures.
- Developing a talent strategy to include a focus on how we attract and recruit a diverse workforce.
- Continuing work on providing a flexible approach to the ways we work.

The refreshed Inclusion strategy, to be launched in September 2021, will focus on:

- Growing the capability of our people
- Creating an inclusive workplace
- Ensuring equity in our policies, processes, services and systems
- Providing care for our Council whānau.

In 2020/21, there were four more males than females in Tiers 1 to 3 of the organisation and 18 more females than males in Tier 4 (10 more than the previous period). Tier 1 is the Chief Executive and Tier 4 in general covers team leader roles.

When all 1,834 employees are considered, there are 200 or 10 percent more females than males, with females making up 55 percent of our workforce.

Staff diversity profiles

Staff composition – gender

Gender	Permanent	Fixed Term	Casual	Grand Total
Female	55%	66%	61%	55%
Male	45%	34%	39%	45%
Total	100%	100%	100%	100%

Staff 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			1	10	31	233	6	281
	25 - 40yrs	1	5	34	93	114	94	10	351
	41 - 55yrs	4	12	41	62	52	70	5	246
	56 - 60yrs		1	6	22	10	24	2	65
	61yrs+		2	5	16	26	24		73
Female total		5	28	80	217	253	418	15	1,013
Male	< 25yrs			1	5	19	138	1	164
	25 - 40yrs		7	20	60	108	99	11	305
	41 - 55yrs	2	10	30	59	69	32	6	208
	56 - 60yrs	1	8	12	17	16	16		70
	61yrs+	1	1	6	18	21	22	1	70
Male total		4	20	72	176	242	273	16	803
Total		9	46	156	362	466	752	42	1,833

* excludes CEO

Staff ethnicity

Ethnicity	Female	Male	Grand Total
European	548	386	934
Maori	60	51	111
Asian	73	75	148
Pacific Peoples	28	23	51
Middle Eastern/Latin American/African	19	9	28
Other Ethnicity	102	88	190
Not Recorded	187	185	372
Total	1,017	817	1,834

Te Tauihu and Te Tiriti o Waitangi

Council has increased efforts to lift its cultural intelligence as an organisation so that we may adequately respond to the people we service, including the 10.1 percent who identify as Māori.

He Waka Eke Noa (Effectiveness for Māori Framework) is the current practical demonstration of our commitment. Through this framework, our organisation aspires to enable strong Maori communities, effective Māori participation and an empowered organisation.

We have made some vital operational changes to ensure change happens in this area. In September 2020, we created the Head of Māori Strategic Partnerships role to reflect the Council's priorities of relationships, partnerships, and engagement for Māori success. The function of the role is to provide quality Māori strategic advice to Council and leadership across the organisation.

In May 2021, Council agreed to two mana whenua representatives from local mana whenua Taranaki Whānui ki te Upoko o Te Ika and Ngāti Toa Rangatira to sit on all Council committees and subcommittees with full voting rights. In March 2021, Council also voted for a Māori Ward at the 2022 local government elections.

We as Council are currently meeting only the minimum surface level requirements of our obligations to Te Tiriti o Waitangi and our Te Tauihu te reo Māori policy. With the recent adoption of the 2021-31 Long-Term Plan, which prioritises mana whenua and Māori partnerships, we are exploring how we can give further effect to our obligations in this area. We are dedicated to improving our efforts to ensure:

- Our work aligns with and upholds Te Tiriti principles
- We do not undermine settlement redress, and
- We are building closer partnerships with mana whenua and Māori

Te Tauihu te reo Māori policy

Efforts to raise our internal cultural capability have continued at a steady pace. Over the past year we have:

- Run a noho mārae programme – 24 staff participated this year.
- Started scoping out work to develop a Mātauranga Māori capability framework to support Council staff to build their Te Reo, Tikanaga and Te Ao Māori capability.

- 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. 182 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. 87 staff 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. 34 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 Tiriti o Waitangi

Council has clear and extensive documentation around our Te Tiriti o Waitangi obligations, these documents are used as guidance for how we work on a day-to-day basis. A few of the key documents that guide our approach are as follows:

- Iwi Memoranda of Understanding to work together, including providing cultural advice and activities.
- Te Tauīhu – Te Reo Māori Policy and Action Plan
- Spatial (Growth) Plan and the District Plan
- Te Aho Tini – Arts and Culture Strategy
- He Māpihi Maurea: Naming Policy
- Te Mahana Homelessness Strategy

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 for the city in their own time for decades.

An example of the great work volunteers contribute to Wellington is from those in the Environmental sector.

Environmental volunteers

We continue to expand our network of volunteers throughout the city. This year they contributed a total of 71,929 hours across our parks and open space network.

Our volunteers undertake various activities including planting, weeding, guiding people, beach and litter clean ups, pest animal control and track building.

- **Wellington Gardens:** 3,919 hours

- **Berhampore Nursery:** 928 hours
- **Community trapping:** 8,260 hours
- **Other community volunteering:** 58,822 hours

Our volunteers make a massive contribution through the work they do, both in environmental restoration and in helping us towards our goal of being a net zero carbon capital by 2050. Our commitment to them ensures we make conservation easy and meaningful by connecting people, knowledge and landscapes.

Whakapai ake - Improving

Development and training

We have continued to invest in core learning and development (L&D) initiatives for our staff.

62	\$1.6m	\$924
different courses offered to staff across the Council	spent on training opportunities (Business Units: \$907k; Culture and Capability: \$724k)	per staff member spent on development and training

Over the past 12 months, Culture and Capability have invested in:

- Reviewing our leadership development programme to ensure it is modern and enables us to develop high performing leaders.
- Completing the development of our Te Pourewa Skills for Managers programme.
- Building Mātauranga Māori capability through dedicated programmes in Te Reo and Tikanga.
- Understanding organisational capability needs through the development of a capability uplift plan – this three-year plan will support the L&D team to focus their efforts on specific capabilities that will drive high organisational performance.

We continue to receive a good score in our Kōrero 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.

Health and Safety

In 2021, an external audit review was conducted of our Health, Safety and Wellbeing function against the Hudson Safety Culture Model. This model assesses five levels of a safety culture i.e. the common set of values, beliefs, attitudes and working practices that determine people's behaviour.

This assessment rated Wellington City Councils safety culture as Calculative (level 3) with some elements of Reactive (level 2). Five recommendations were provided by the auditor relating to use of technology, structure of the business unit and approach to health and

safety. Focusing on these recommendations will support the Council to progress the maturity of safety culture to that of a high performing organisation.

In response to the review, the Council has committed to address the recommendations by:

- Reviewing and investing in a fit for purpose health and safety information management system.
- Growing the health and safety function by centralising resourcing and implementing a business partner model to provide risk-based support to Business Units.
- Lifting capability of Business Units and managers, especially those that have significant engagement with Person Conducting a Business or Undertaking (PCBUs) to assist in the management of these overlapping duties.
- Retain a centralised corporate health and safety resource with a broader strategic focus to further develop and manage our Health and Safety system in order to increase safety maturity.

Over the next 12 months, a change and action plan will be implemented to ensure better partnership with business groups, provide immediate support with implementing health, safety and security management practices, reduce current levels of risk exposure and greater levels of assurance on overlapping duties.

Security

In February 2021, the Council adopted the Protective Security Requirements framework, a national Public Sector framework mandated across Central Government agencies. Wellington City Council is the first territorial/local authority to formally adopt this security framework.

This framework enables greater levels of assurance on security performance and enhanced maturity and consistency of security practices. A maturity review self-assessment against the four levels of framework indicates we are between informal (level 1) and basic (level 2). This means we have foundation policies, capabilities and practices in place, but our success relies on individuals, rather than prescribed and routinely followed processes.

To support an uplift to level 3 in the framework (Managed), the Council has convened a cross-functional Security Reference Group to coordinate security controls and appointed a Chief Security Officer and a Chief Information Officer (these are additional responsibilities for existing roles within the Executive Leadership Team).

Wellbeing

The Council continues to be committed to supporting all our people to be healthy and well at work. In the first half of 2021, through the refresh of our inclusion strategy (refer to Diversity and Inclusion section), we have identified the areas of focus to take a holistic view of wellness to improve staff wellbeing.

In a continuing COVID landscape, we have continued to focus on supporting our staff with their mental health and individual resilience through training and other formal mechanisms such as our Employee Assistance Programme.

Reporting

We continue to report quarterly on Safety, Security and Wellbeing with the following a summary of the lead and lag indicators we report on:

Workplace injury and incidents:

	2019/2020	2020/2021	Difference
Work near miss incidents	1,008	900	- 108
Medical treatment incidents	240	290	+50
Work related injury claims	92	97	+5
Early interventions	55	58	+2

Security:

	2019/2020	2020/2021	Difference
Trespass notices*	2	12	+10
Bans Issued	-	24	24
Unlawful incidents reported to NZ Police	85	125	+40

*Trespass notices are served on members of the public that have a history of bad behaviour while attending a Council facility.

Employee Assistance programme

	2019/2020	2020/2021	Difference
Total hours used	632.20	807.75	+175.55
EAP # New Referrals	166	243	+77
EAP # Active Clients	359	542	+183

Capability Building

Council remains committed to upskilling our employees to suit the building of a healthy and safe workplace and culture. Over the last twelve months we have invested in:

- 62 staff have had training to manage actual or potential aggression so they can keep themselves safe when personal confrontation is experienced (the Council's Highest Risk Hazard)
- 121 staff had mental health first aid training, up from 107 in 2019/20
- 27 Health and Safety Representatives received training to increase capability in those roles
- 83 staff had resiliency training

2020/2021 Annual Report Financial Statements

Volume 2

Draft - subject to Audit

Ihirangi | Contents

Statement of Compliance and Responsibility	4
Council and Group Structure	5
Basis of Consolidation	6
Other Significant Accounting Policies	7
COVID-19 Financial impact	11
Statement of Comprehensive Revenue and Expense	12
Statement of Comprehensive Revenue and Expense - Major budget variations	14
Note 1: Rates revenue	15
Note 2: Revenue from operating activities	16
Note 3: Investment revenue	19
Note 4: Vested assets and other revenue	20
Note 5: Fair value movements	21
Note 6: Finance revenue and expense	22
Note 7: Expenditure on operating activities	23
Note 8: Depreciation and amortisation	25
Note 9: Share of associates' and joint venture's surplus or deficit	27
Note 10: Income tax	28
Statement of Financial Position	30
Statement of Financial Position - Major budget variations	32
Note 11: Cash and cash equivalents	33
Note 12: Derivative financial instruments	33
Note 13: Receivables and recoverables	34
Note 14: Other financial assets	37
Note 15: Non-current assets classified as held for sale	39
Note 16: Intangibles	40
Note 17: Investment properties	42
Note 18: Property, plant and equipment	43
Note 19: Investment in controlled entities	54
Note 20: Investment in associates and joint venture	55
Note 21: Exchange transactions, transfers and taxes payable	61
Note 22: Revenue in advance	62
Note 23: Borrowings	63
Note 24: Employee benefit liabilities and provisions	66
Note 25: Provisions for other liabilities	68
Note 26: Deferred tax	73

Statement of changes in equity.....	75
Statement of changes in equity – Major budget variations	76
Equity	76
Note 27: Revaluation reserves	78
Note 28: Hedging reserve	80
Note 29: Fair value through other comprehensive revenue and expense reserve	80
Note 30: Restricted funds	81
Statement of cash flows	83
Statement of cash flows – Major budget variations	85
Note 31: Reconciliation of cash flows	86
Other disclosures	88
Note 32: Financial instruments	88
Note 33: Commitments	98
Note 34: Contingencies	100
Note 35: Joint Operations	103
Note 36: Related party disclosures	104
Note 37: Remuneration and staffing	110
Note 38: Events after the end of the reporting period	115
Financial prudence	117
Funding impact statements	129

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 (pg XX).

The reported Group figures includes the Council (as defined above), its controlled entities as disclosed in Note 19 (pg XX) and the Council's equity accounted interest in the associates and a joint venture as disclosed in Note 20 (pg 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 entity¹ and were authorised for issue by the Council on 28 October 2021

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 2021 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.



Andy Foster
Mayor

28 October 2021



Barbara McKerron
Chief Executive

28 October 2021



Sara Hay
Chief Financial Officer

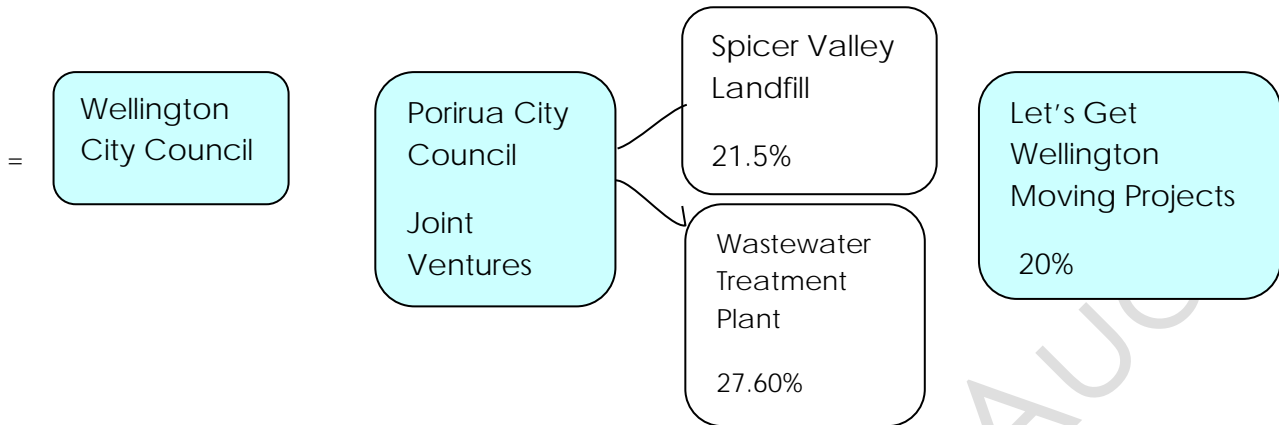
28 October 2021

¹ A Tier 1 entity is defined as being either, publicly accountable or large (ie. expenses over \$30m). Council exceeds the expenses threshold.

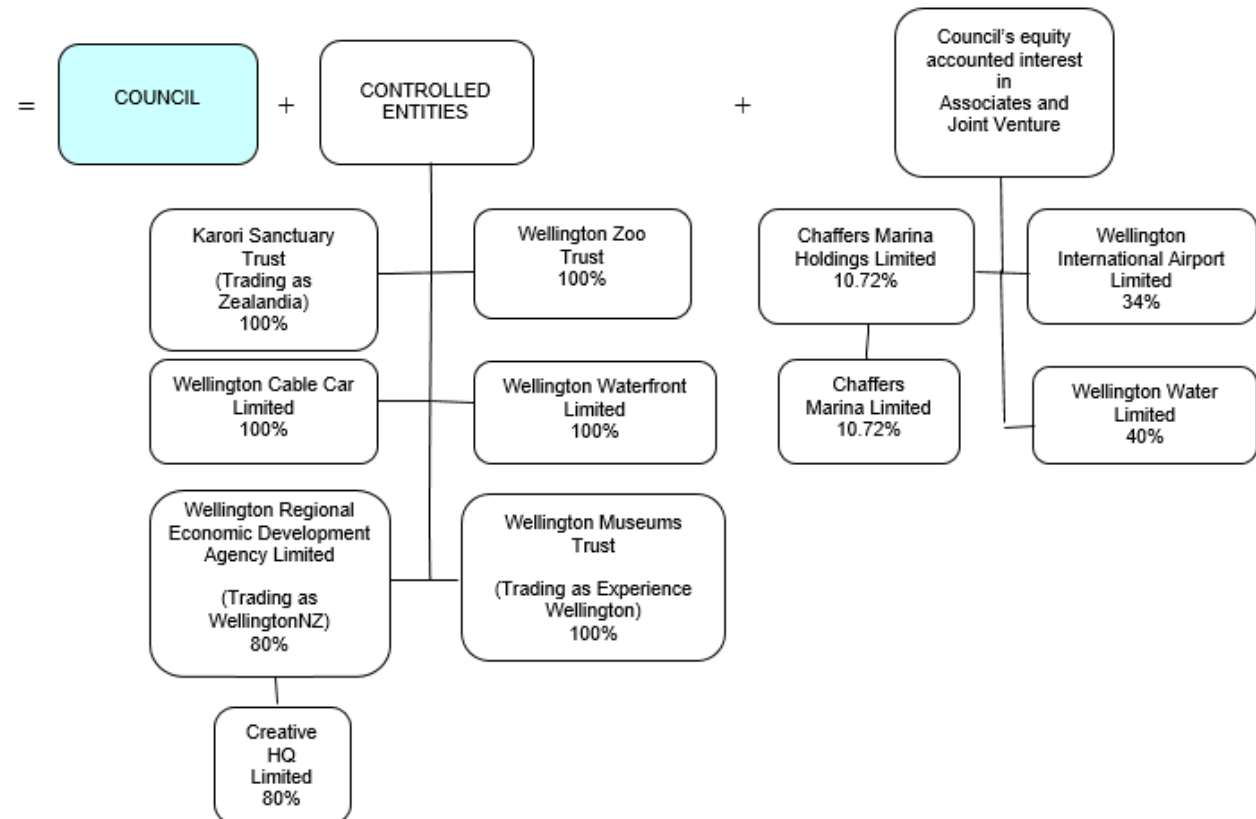
Council and Group Structure

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 (pg XX and xx) for more information.

Basis of Consolidation

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 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 is 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 activity area chapters from pg XX to 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 November 2018, the XRB issued 2018 Omnibus amendments to PBE standards. These amendments were 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 have been adopted in this report resulting in additional disclosure regarding the Cash Flow statement. There are no significant accounting implications for Council and the Group.
- In May 2019, the XRB issued *2019 Amendments to XRB A1 Appendix A – When is an Entity a Public Benefit Entity* effective for periods beginning on or after 1 January

2020. As the Council is already a PBE, being a local authority, there is no impact on adoption.

- In August 2019, the XRB issued *Uncertainty over Income Tax Treatments (Amendments to PBE IAS 12)*, effective for periods beginning on or after 1 January 2020. As a local authority WCC is only subject to income tax for a very limited amount of its income. There is no uncertainty over income tax treatments for WCC so there is no impact on the Council.
- In February 2020, the XRB issued *PBE Interest rate benchmark reform*, effective for periods beginning on or after 1 January 2020. There is no impact on the Council or Group as all of our contracts are in NZD, so we are unlikely to be affected, as BKBM is untouched at this stage. Even if the NZ benchmarks changed from BKBM to an overnight indexed benchmark curve, both our hedges and the underlying debt would reference the same curve, so there would be no effect on hedge accounting.
- In August 2020, the XRB issued *Going concern disclosures (Amendments to PBE IPSAS 1)*, effective for periods ending on or after 30 September 2020. There is no impact on Council, as being a local authority with rating powers, Council is assumed to be a going concern and no additional disclosures are required.

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.
- 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 fully 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 2020/21 year).

COVID-19 Financial impact

An assessment of the main impacts of COVID-19 on the Council's financial statements for the year ending 30 June 2021 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	2021 \$000	2020 \$000	Total \$000	Note
Revenue	Lost revenue for facilities being unable to operate under varying alert levels and uncertain times for planning events, particularly operations of the Wellington Venues facilities.	5,592	13,577	19,169	2
Revenue	Wellington International Airport Limited - approximate dividend not declared for distribution, although already not included in the Annual Plan for 2020/21	14,000	-	14,000	3
Rates postponement	Deferral of Quarter 1 rates instalment payments for 2020/21 and Quarter 4 instalment for 2019/20	1,908	2,182	4,090	1
Expenditure	Net reduction in costs, particularly the costs of sales relating to events not held	3,140	257	3,397	7
Remuneration	Teams unable to work during lockdown	-	1,958	1,958	
Employee liabilities	Increase in annual leave liability	-	1,529	1,529	
Payment terms	Reduction in payment timeframes from 20 to 5 working days maintained	N/A	N/A	N/A	21
CCO support	Drawdown on the joint loan facility agreed between Council and Greater Wellington Regional Council for the Wellington Regional Stadium Trust	900	-	900	34
CCO support	Provision of shareholder support to Wellington International Airport Limited if required, extended for another year	25,758	25,758	25,758	34
CCO support	Budgeted additional grant funding to Council controlled entities (unbudgeted in 2020)	2,318	504	2,822	34
Other entity support	Funding agreement with WOW to provide access to financial relief in the event of a Government announced COVID-19 lockdown up to a maximum of \$5.000m	5,000	-	5,000	34
City recovery fund	Utilisation of the of City Recovery Fund (CRF)	2,940	-	2,940	30
Revaluations	Valuation reports for investment property and operational land and building assets contain statements around the heightened uncertainty relating to COVID-19	N/A	N/A	N/A	18

Statement of Comprehensive Revenue and Expense

Table 2: Statement of Comprehensive Revenue and Expense For the year ended 30 June 2021		Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
	Note					
Revenue						
Rates	1	341,914	343,988	322,021	341,914	322,021
Revenue from operating activities						
Development contributions	2	3,689	2,000	3,566	3,689	3,566
Grants, subsidies and reimbursements	2	41,472	34,334	34,095	54,006	41,975
Other operating activities	2	141,916	144,229	137,172	156,461	153,610
Investments revenue	3	11,065	11,705	23,008	11,065	10,947
Vested assets and other revenue	4	13,053	1,850	11,016	13,470	11,390
Fair value movements	5	20,501	6,075	7,562	20,501	7,569
Finance revenue	6	2,114	13	2,280	2,228	2,549
Total revenue		575,724	544,194	540,720	603,334	553,627
Expense						
Fair value movements	5	(52)	-	-	(53)	-
Finance expense	6	(25,490)	(25,718)	(26,541)	(25,509)	(26,569)
Expenditure on operating activities	7	(406,090)	(430,131)	(413,966)	(430,787)	(437,042)
Depreciation and amortisation expense	8	(136,635)	(137,869)	(118,067)	(138,325)	(119,663)
Total expense		(568,267)	(593,718)	(558,574)	(594,674)	(583,274)
Operating surplus/ (deficit) before insurance proceeds		7,457	(49,524)	(17,854)	8,660	(29,647)
Insurance proceeds		-	-	33,000	-	33,000
Share of equity accounted surplus/(deficit) from associates and joint venture	9	-	-	-	(3,891)	18,838
Net surplus/(deficit) before taxation		7,457	(49,524)	15,146	4,769	22,191
Income tax credit/(expense)	10	-	-	-	(482)	621
NET SURPLUS/(DEFICIT) for the year		7,457	(49,524)	15,146	4,287	22,812
Net surplus/(deficit) attributable to:						
Wellington City Council and Group		7,457	(49,524)	15,146	4,136	22,528
Non-controlling interest		-	-	-	151	284
		7,457	(49,524)	15,146	4,287	22,812

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements

Statement of Comprehensive Revenue and Expense – continued

	Refer	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2021	2021	2020	2021	2020
		\$000	\$000	\$000	\$000	\$000
Net surplus/(deficit) for the year		7,457	(49,524)	15,146	4,287	22,812
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	60,019	-	(38,903)	59,446	(39,330)
Fair value through other comprehensive revenue and expense						
Fair value movement - net	SCIE	944	-	795	556	772
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Revaluations:						
Fair value movement - property, plant and equipment - net	SCIE	284,092	86,710	493,980	284,092	493,980
Share of other comprehensive revenue and expense of associates and joint venture						
Fair value movement - property, plant and equipment - net	SCIE	-	-	-	26,359	9,265
Total other comprehensive revenue and expense		345,055	86,710	455,872	370,453	464,687
TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year		352,512	37,186	471,018	374,740	487,499
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		352,512	37,186	471,018	374,589	487,215
Non-controlling interest		-	-	-	151	284
		352,512	37,186	471,018	374,740	487,499

1. Other comprehensive revenue or expense is non-cash in nature and only reflects changes in equity.
2. Statement of Changes in Equity – see pg XX

The notes on pg 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 \$31.530m higher than budgeted with major variances included of:

- \$14.421m of higher-than-expected investment property revaluations due to significant market growth
 - \$11.203m of unbudgeted vested assets (\$9.411m) and higher other revenue (\$1.792m) – see Note 4
 - \$2.101m of higher interest revenue
 - \$6.514m of overall higher revenue from operating activities, mainly Development Contributions (\$1.689m), Grants and subsidies (\$7.138m), but greatly reduced contributions from venues due to COVID-19 restrictions offsetting increases across most other operating activities for a reduction of \$2.313m – see Note 2
- Offset by:
- \$2.074m of lower rates, particularly water rates due to lower than budgeted consumption
 - \$0.640m of lower investment revenue

Expenses were \$25.451m lower than budgeted with major variances included of:

- \$24.041m less expenditure on operating activities, particularly due to savings achieved, the costs of events not occurring, changes to IT delivery and a project grant not paid due to delays. One offset additional expense was the utilisation of the unbudgeted \$4.730m of the Government stimulus funding package for Three Water reforms
- \$1.234m of higher depreciation expense reflecting the higher than budgeted infrastructure revaluations in 2019/20

Net finance expense was \$2.329m lower than budgeted reflecting higher interest revenue arising from a higher level of cash held to cover COVID-19 impacts.

Other comprehensive revenue and expense was \$258.345m higher than budgeted with major variances included of:

- \$60.019m of unbudgeted positive fair value movements in cash flow hedges due to higher swap interest rates in comparison to swap rates held.
- \$284.092m higher increase in the revaluation of operational land and buildings

Note 1: Rates revenue

Table 3: Rates revenue	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
General rates	193,878	184,013	193,878	184,013
Targeted rates	128,783	120,926	128,783	120,926
Metered water supply	18,044	15,716	18,044	15,716
Penalties and adjustments	1,209	1,366	1,209	1,366
TOTAL RATES REVENUE	341,914	322,021	341,914	322,021

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$14.926m (2020: \$14.364m). For the Group, rates of \$15.009m (2020: \$14.448m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held as at 22 July 2020 due to COVID-19 delays.

The number of rating units: 79,811 (30 June 2019: 79,211).

Table 4: Value of rating units	2021	2020
	\$000	\$000
Total capital value of rating units	79,212,775	78,630,323
Total land value of rating units	40,577,366	40,454,135

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 2021 totalled \$1.246m (2020: \$1.278m).

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, and the 2020/21 first quarter rates instalment, due 1 September 2020, without penalty for six months, provided that the ratepayer was able to meet certain criteria. Table 5 below details the breakdown of the deferrals.

Table 5: Rates Deferral	Amount deferred	Amount deferred
	Quarter 1 - 2021	Quarter 4 - 2020
	\$000	\$000
Residential	133	186
Commercial	1,775	1,996
Total rates deferral	1,908	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 6: Revenue from operating activities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Development contributions	3,689	3,566	3,689	3,566
Grants, subsidies and reimbursements				
Operating	13,234	8,034	25,254	15,505
Capital	28,238	26,061	28,752	26,470
Total grants, subsidies and reimbursements	41,472	34,095	54,006	41,975
Other operating activities				
Fines and penalties	6,961	5,981	6,961	5,981
Rendering of services	128,298	124,160	139,406	136,080
Sale of goods	6,657	7,031	10,094	11,549
Total other operating activities	141,916	137,172	156,461	153,610
TOTAL REVENUE FROM OPERATING ACTIVITIES	187,077	174,833	214,156	199,151

For the Council, the principal grants and reimbursements are from Waka Kotahi - 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 \$28.173m (2020: \$25.414m) and operating reimbursements of \$8.111m (2020: \$7.616m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.

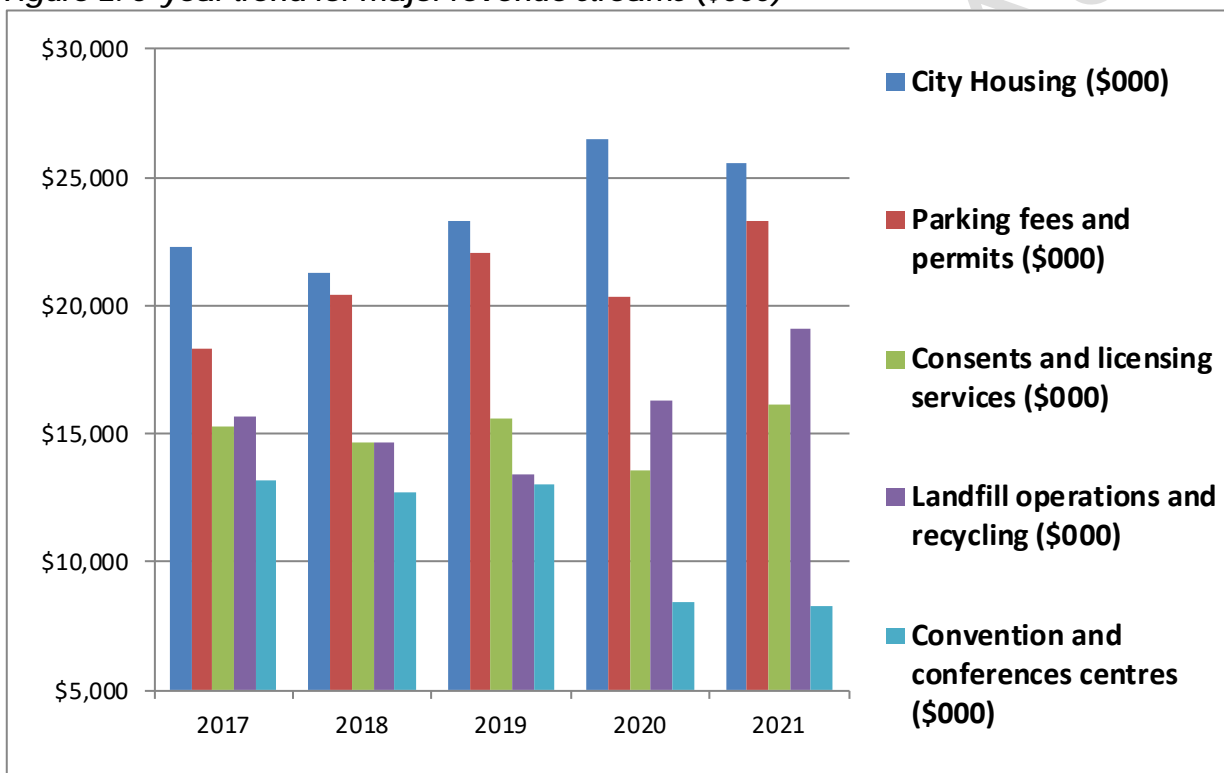
Council applied for and received \$10.100m of Government stimulus funding in relation to the Three Waters reform package. \$4.730 million has been recognised above based on costs already incurred.

For revenue from other operating activities of Council, the five major contributors were:

- City housing - \$25.553m (2020: \$26.470m)
- Parking fees and permits - \$23.293m (2020: \$20.326m)
- Landfill operations and recycling - \$19.089m (2020: \$16.328m) – including unbudgeted revenue from the joint operation with Porirua City Council \$1.758m (2020: \$1.693m).
- Consents and licensing services - \$16.116m (2020: \$13.551m)
- Convention and conferences centres – \$8.259m (2020: \$8.460m)

see *Figure 2* for a five-year trend analysis of these major revenue streams.

Figure 2: 5-year trend for major revenue streams (\$000)



5-year Trend analysis commentary

City Housing

Annual rent increases in line with market movements drive the increases in earlier years however there is a reduction in the 2020/21 year owing to the disposal of Arlington to Kainga Ora. For further information – refer to the Statement of service performance strategy area 5.2 – Community support (page xx).

Parking fees and permits

Parking revenue was higher in 2020/21, as it was not impacted by COVID-19 in the way it was in 2019/20, when there was a Level 4 lockdown, during which no metering and minimal enforcement revenue was received. There were periods during 2020/21 when COVID-19 restrictions did impact on revenue, but not to the extent of the severe lockdown levels in 2019/20. For further information – refer to the Statement of service performance strategy area 7.2 – Parking (page XX).

Landfill Operations

The revenue increase in 2020/21 is due to fee increases and an increase in the tonnage for both Domestic general and Commercial general waste. The year was also not affected to the same extent by COVID-19 as in 2019/20. Contaminated soil and special waste volumes have in recent years been cause for a major boost to revenue levels and while lower in this past year, were still significant. For further information – refer to the Statement of service performance strategy 2.2 – Waste reduction and energy conservation (page XX).

Consents and Licensing Services

Revenues were relatively consistent over previous years except where COVID-19 impacted on 2019/20. Consent volumes have however restored to pre-COVID levels in the 2020/21 and revenues have similarly returned to those levels. For further information – refer to the Statement of service performance strategy area 6.2 – Building and development control (page XX).

Convention and Conference centres

The ongoing effects of COVID-19 with significantly reduced numbers of performances and events has had a severe impact on revenues in 2020/21, as it did in 2019/20. The on-going redevelopment and therefore unavailability of St James theatre is also a contributing factor. For further information – refer to the Statement of service performance strategy 3.1 – City promotions and business support (page XX).

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 (pg 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. NZTA 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 7: Investment revenue	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Dividend from associates	-	12,061	-	-
Dividend from equity investments	66	86	66	86
Investment property revenues	10,999	10,861	10,999	10,861
TOTAL INVESTMENT REVENUE	11,065	23,008	11,065	10,947

Dividends

The normally expected annual dividend from Council's 34 percent holding in Wellington International Airport Limited was not declared for distribution to shareholders in 2020/21 due to the ongoing effect of COVID-19. The annual plan budget for 2020/21 did not include this revenue as the financial impact from COVID-19 was well forecasted. A dividend is also not budgeted for the 2021/22 financial year.

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 (pg 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 (pg 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 8: Vested assets and other revenue	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Vested assets	9,411	7,599	9,411	7,609
Other revenue	3,642	3,417	4,059	3,781
TOTAL VESTED ASSETS AND OTHER REVENUE	13,053	11,016	13,470	11,390

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 - \$4.891m (2020: \$4.362m).
- Roading - \$4.430m (2020: \$2.453m)

Other revenue consisted mainly of:

- Gains on disposal of assets - \$0.959m (2020: \$1.431m)
- Restricted funds - \$0.992m (2020: \$0.175m)
- Fuel tax - \$1.116m (2020: \$0.999m)

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 9: Fair value movements	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Investment property revaluation	20,496	7,558	20,496	7,558
Amortisation of loans to related parties	5	4	5	11
Total fair value gains	20,501	7,562	20,501	7,569
<i>Less</i>				
Fair value adjustment to loan	52	-	52	-
Currency exchange loss	-	-	1	-
Total fair value losses	52	-	53	-
TOTAL FAIR VALUE MOVEMENTS	20,449	7,562	20,449	7,569

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 land and buildings, including the Wellington Waterfront investment properties. For more information refer to Note 17: Investment properties (pg XX).

In May 2021, Wellington Regional Stadium Trust made a partial drawdown of a Joint loan facility, between Wellington City Council and GWRC, which was made available as part of a COVID-19 response. As the initial 2-year period is interest free an adjustment to reflect fair value is required. The value of this adjustment is \$0.052m, which is non-cash in nature, has no effect on rates and will be amortised back up to full value over the next two years. The loan will become interest bearing in year 3, with annual principal repayments and the final repayment by the end of 2030/31.

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 revenue and expense

Table 10: Finance revenue, expense and net finance co	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Interest on borrowings	25,140	25,391	25,153	25,413
Interest on finance leases	-	-	6	6
Re-discounting of interest on provisions	350	1,150	350	1,150
TOTAL FINANCE EXPENSE	25,490	26,541	25,509	26,569
Less				
Interest earned	2,114	2,280	2,228	2,549
TOTAL FINANCE REVENUE	2,114	2,280	2,228	2,549
NET FINANCE COST	23,376	24,261	23,281	24,020

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 (pg XX) and Note 25: Provision for other liabilities (pg XX).

Interest earned

Interest earned is recognised using the effective interest rate method.

Note 7: Expenditure on operating activities

Table 11: Expenditure on operating activities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Governance and employment				
Elected member remuneration	1,855	1,803	1,855	1,803
Independent directors/trustees fees for controlled entities	-	-	527	438
Employee benefits expense:				
- Remuneration	106,162	102,372	134,369	131,229
- Superannuation contributions (including KiwiSaver)	3,160	2,938	3,804	3,558
Other personnel costs	3,415	4,380	4,594	5,407
Impairments				
Bad debts written off not previously provided for	65	6	65	13
Increase in provision for impairment of receivables and recoverables	190	293	190	293
Impairment of property, plant and equipment	1,848	10,183	1,848	10,183
Insurance				
Insurance premiums	17,431	17,017	18,171	17,643
Insurance reserve costs - net	1,017	688	1,017	688
General				
Administration Costs	5,230	5,586	17,098	16,272
Auditor's remuneration:	570	358	795	665
Contractors	3,300	4,198	6,226	6,485
Contracts, services and materials	146,838	150,862	148,627	151,898
Grants	46,901	42,711	18,160	15,849
Information and communication technology	16,966	16,681	18,471	17,738
Loss on disposal of intangibles	-	2	-	2
Loss on disposal of property, plant and equipment	281	776	287	878
Loss on disposal of investment property	564	-	564	-
Loss on investments	-	-	2	296
Operating lease - minimum lease payments	8,141	7,056	9,905	8,179
Professional costs	9,060	10,756	10,326	11,276
Reassessment of weathertight provision	669	4,622	732	4,622
Utility costs	32,427	30,678	33,154	31,627
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	406,090	413,966	430,787	437,042

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 \$0.462m (2020: \$0.947m) of termination benefits were incurred by the Council and \$0.753m (2020: \$0.995m) for 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 (pg XX)

General

Table 12: Auditor's remuneration:	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Audit services - Audit New Zealand - Financial Statements	362	306	507	538
Audit services - Audit New Zealand - Long-term Plan	154	-	154	-
Audit services - Audit New Zealand - Wgtn Waterfront Project	40	39	40	39
Audit services - Audit New Zealand - other assurances	14	13	14	13
Audit services - Other Auditors	-	-	80	75
	570	358	795	665

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 12 above). Probity assurance over the Central Library Project (Te Matapihi) for \$0.006m was provided and was capitalised.

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 (pg XX)). Other major grants include the funding to the Museum of New Zealand, Te Papa Tongarewa \$2.250m (2020: \$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 (pg 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 \$14.926m (2020: \$14.364m) on Council owned properties.

COVID-19: Expenditure impacts

The effect on expenditure related mainly to additional grant support for Council controlled entities namely, Wellington Cable Car Limited and Wellington Museums Trust. (refer to Note 36 – Related party disclosures (page xx)). This higher expenditure, although less than budgeted, was offset by a significant reduction in costs relating to events not being held, due to either the prevailing Alert Level or the uncertainty of future level changes.

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 13: Depreciation and amortisation	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Depreciation				
Buildings	20,542	29,967	21,008	30,135
Civic Precinct	1,252	1,411	1,252	1,411
Restricted buildings	1,881	1,650	1,881	1,650
Drainage, waste and water infrastructure	49,257	36,227	49,257	36,227
Landfill post closure	260	272	260	272
Library collections	1,862	2,387	1,862	2,387
Plant and equipment	23,322	11,445	24,497	12,745
Roading infrastructure	33,282	31,156	33,282	31,156
Total depreciation	131,658	114,515	133,299	115,983
Amortisation				
Computer software	4,977	3,552	5,026	3,680
Total amortisation	4,977	3,552	5,026	3,680
TOTAL DEPRECIATION AND AMORTISATION	136,635	118,067	138,325	119,663

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 14).

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Table 14: Estimated useful lives of tangible assets	2021 Useful Life (years)
Asset Category	
Operational assets	
Land	unlimited
Buildings:	
Structure	20 - 100
Roof	20 - 90
Interior	5 - 100
Services	5 - 100
Civic Precinct	2 - 67
Plant and equipment	1 - 100
Library collection	4 - 11
Infrastructure assets:	
Land (including land under roads)	unlimited
Roading:	
Road pavement	10 - 40
Retaining / sea walls	50 - 100
Kerb and channel	10 - 60
Structures - other sea defences	100 - 250
Tunnels - structure and services	20 - 175
Bridges	90 - 110
Drainage, waste and water:	
Pipes	60 - 110
Reservoirs	25 - 90
Pump stations	32 - 105
Fittings	25 - 70
Restricted assets (excluding buildings)	unlimited

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.

Amortisation

The amortisation of intangible assets is charged on a straight-line basis over the estimated useful life of the associated assets. (See *Table 15*)

Table 15: Estimated useful lives of intangible assets	2021
	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 16*.

Table 16: Share of associates' and joint venture's surplus or deficit	Group	
	2021	2020
	\$000	\$000
Associates		
Chaffers Marina Holdings Limited	52	(45)
Wellington International Airport Limited	(4,183)	18,983
Joint venture		
Wellington Water Limited	240	(100)
TOTAL SHARE OF ASSOCIATES' AND JOINT VENTURE'S SURPLUS OR (DEFICIT)	(3,891)	18,838

Further information on the cost and value of the above investments is found in Note 20: Investments in Associates and Joint Venture (pg 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 were reflected in Council's share of their 2019/20 surplus. For 2020/21 the financial impacts for Council were primarily that no dividend was declared for distribution to Council and the 34% share of the deficit in *Table 16* above reducing the Group surplus.

Council also agreed in 2019/20 to underwrite its share of a potential equity raising. For more information refer to Note 34: Contingencies (pg 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 17: Income Tax	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Current tax expense/(credit)				
Current year	-	-	112	(232)
Prior period adjustment	-	-	346	-
Total current tax expense/(credit)	-	-	458	(232)
Deferred tax expense/(credit)				
Origination and reversal of temporary differences	(37)	(15)	24	(389)
Change in unrecognised temporary differences	-	-	-	-
Recognition of previously unrecognised tax losses	37	15	-	-
Total deferred tax expense/(credit)	-	-	24	(389)
TOTAL INCOME TAX EXPENSE/(CREDIT)	-	-	482	(621)

Table 18: Reconciliation of tax on the surplus/(deficit) and tax expense/(credit)	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Surplus/(deficit) for the period before taxation	7,457	15,146	4,769	22,191
Prima facie income tax based on domestic tax rate - 28%	2,088	4,241	1,335	6,214
Effect of non-deductible expenses and tax exempt income	(2,125)	(4,256)	(342)	(8,749)
Current years loss for which no deferred tax asset was recognised	37	15	37	15
Previously unrecognised tax losses now utilised	-	-	(49)	-
Change in unrecognised temporary differences	-	-	65	10
Prior period adjustment	-	-	346	-
Reintroduction of tax depreciation on buildings	-	-	-	(129)
Overseas withholding tax-non reclaimable	-	-	20	6
Share of income tax of equity accounted associates	-	-	(930)	2,012
TOTAL INCOME TAX EXPENSE/(CREDIT)	-	-	482	(621)

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

Table 19: Statement of Financial Position		Council			Group	
		Actual	Budget	Actual	Actual	Actual
As at 30 June 2021		2021	2021	2020	2021	2020
	Note	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	11	84,349	4,767	98,577	103,542	113,285
Receivables and recoverables	13	57,656	55,488	95,467	58,919	96,888
Other financial assets	14	62,684	120,000	31,488	63,786	33,488
Prepayments		21,337	17,179	8,717	21,647	9,675
Inventories		787	999	1,549	1,394	2,248
Non-current assets classified as held for sale	15	14,703	-	6,415	14,703	6,415
Total current assets		241,516	198,433	242,213	263,991	261,999
Non-current assets						
Derivative financial assets	12	7,821	-	-	7,821	-
Receivables and recoverables	13	3,400	-	-	3,400	-
Other financial assets	14	22,982	14,844	16,131	24,747	17,976
Intangibles	16	39,031	34,178	25,714	39,105	25,828
Investment properties	17	279,082	270,225	258,515	279,082	258,515
Property, plant and equipment	18	8,203,230	7,713,969	7,809,894	8,217,301	7,825,777
Investment in controlled entities	19	5,071	5,071	5,071	-	-
Investment in associates and joint venture	20	19,473	19,465	19,033	233,291	210,956
Total non-current assets		8,580,090	8,057,752	8,134,358	8,804,747	8,339,052
TOTAL ASSETS		8,821,606	8,256,185	8,376,571	9,068,738	8,601,051
LIABILITIES						
Current liabilities						
Derivative financial liabilities	12	1,798	985	709	1,798	709
Exchange transactions and transfers payable	21	71,877	57,135	57,417	74,211	60,404
Taxes payable	21	10,887	-	8,185	11,211	8,458
Revenue in advance	22	20,884	13,749	14,302	26,533	19,333
Borrowings	23	154,523	132,000	186,000	154,544	186,028
Employee benefit liabilities and provisions	24	7,044	4,597	10,361	8,973	12,873
Provision for other liabilities	25	2,279	10,237	9,002	2,279	9,002
Total current liabilities		269,292	218,703	285,976	279,549	296,807
Non-current liabilities						
Derivative financial liabilities	12	53,045	67,153	106,332	53,045	106,332
Exchange transactions and transfers payable	21	231	231	231	231	231
Borrowings	23	754,129	847,445	589,931	754,792	589,951
Employee benefit liabilities and provisions	24	724	1,156	764	767	824
Provision for other liabilities	25	50,490	29,642	52,154	50,490	52,154
Deferred tax	26	-	-	-	680	308
Total non-current liabilities		858,619	945,627	749,412	860,005	749,800
TOTAL LIABILITIES		1,127,911	1,164,330	1,035,388	1,139,554	1,046,607

Statement of Financial Position – continued

Table 19: Statement of Financial Position		Council			Group	
		Actual	Budget	Actual	Actual	Actual
As at 30 June 2021		2021	2021	2020	2021	2020
	Note	\$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		3,815,363	3,725,141	3,809,762	3,822,663	3,821,257
Revaluation reserves	27	2,631,206	2,145,774	2,348,061	2,830,205	2,520,701
Hedging reserve	28	(47,022)	(68,138)	(107,041)	(47,641)	(107,087)
Fair value through other comprehensive revenue and expense reserve	29	6,029	4,290	5,085	6,656	6,100
Non-controlling interest		-	-	-	781	284
Restricted funds	30	18,985	15,654	16,182	23,358	20,027
TOTAL EQUITY		7,693,695	7,091,855	7,341,183	7,929,184	7,554,444
TOTAL EQUITY AND LIABILITIES		8,821,606	8,256,185	8,376,571	9,068,738	8,601,051

The notes on pg XX to XX form part of and should be read in conjunction with the financial statements

Statement of Financial Position - Major budget variations

Significant variations from budget are as follows:

Current assets are \$43.083m higher than budgeted with major variances included of:

- \$79.582m of cash held for liquidity purposes
- \$14.703m land and buildings re-classified as held for sale
- \$4.158m higher prepayments largely due to the unbudgeted \$5.730m of the \$10.100m of Government stimulus funding for Three Waters reform passed to Wellington Water.

Offset by:

- \$57.316m lower term deposits now held as cash

Non-current assets are \$522.338m higher than budget with major variances included of:

- \$197.382m higher revaluations of operational land and buildings
- \$299.130m higher Property, plant and equipment assets than budgeted largely due to lower budgeted values resulting from the delayed timing of the 2019/20 infrastructure assets revaluation. Included in this amount is \$32.377m lower than budgeted capital expenditure.
- \$7.821m of unbudgeted derivative financial assets due to increased swap interest rates
- \$3.400m for a long-term receivable relating to a disposed investment property
- \$14.426m higher revaluation of investment properties
-

Total liabilities are \$41.789m lower than budget, with major variances included of:

- \$22.523m of higher current borrowings, due to timing of maturities
- \$14.742m of higher current payables, partly due to timing of invoicing for work completed
- \$12.890m of higher net provisions for other liabilities, due to timing of settlements
- \$7.135m of higher revenue in advance, including the unrecognised \$5.370m of Government Stimulus funding for Three Waters reform.

Offset by:

- \$93.316m of lower non-current borrowings, due to lower capital expenditure
- \$14.108m of lower derivative financial liabilities due to increased swap interest rates

Note 11: Cash and cash equivalents

Table 20: Cash and cash equivalents	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Cash at bank	84,333	23,561	97,021	34,821
Cash on hand	16	16	33	37
Short term bank deposits up to 3 months	-	75,000	6,488	78,427
TOTAL CASH AND CASH EQUIVALENTS	84,349	98,577	103,542	113,285

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

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 21: Derivative financial instruments	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Assets				
Non-current assets				
Interest rate swaps - cash flow hedges	7,821	-	7,821	-
Total non-current assets	7,821	-	7,821	-
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	7,821	-	7,821	-
Liabilities				
Current liabilities				
Interest rate swaps - cash flow hedges	1,798	709	1,798	709
Total current liabilities	1,798	709	1,798	709
Non-current liabilities				
Interest rate swaps - cash flow hedges	53,045	106,332	53,045	106,332
Total non-current liabilities	53,045	106,332	53,045	106,332
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	54,843	107,041	54,843	107,041

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 (pg XX) and Note 32: Financial instruments (pg XX).

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 22: Receivables and recoverables	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current	57,656	95,467	58,919	96,888
Non-Current	3,400	-	3,400	-
TOTAL RECEIVABLES AND RECOVERABLES - NET	61,056	95,467	62,319	96,888
Trade receivables and recoverables - debtors - net	14,108	16,121	14,640	16,367
Trade recoverables - fines - net	3,808	3,424	3,808	3,424
Accrued revenue	14,065	12,214	14,740	12,756
Sundry receivables	7,884	36,204	8,050	36,543
GST recoverable	5,051	10,321	4,941	10,615
Rates recoverable	16,140	17,183	16,140	17,183
TOTAL RECEIVABLES AND RECOVERABLES - NET	61,056	95,467	62,319	96,888

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 higher value of Sundry receivables for 2019/20 relates to the \$33.000m of insurance proceeds.

Table 23: Receivables and recoverables from related parties	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Receivables and recoverables from related parties				
- Controlled entities	794	394	-	-
- Associates and jointly controlled entity	26	359	26	359
Total receivables and recoverables from related parties	820	753	26	359

The movement in the provision for impairment of total receivables and recoverables is analysed as follows in *Table 24*.

Table 24: Provision for impairment of total receivables and recoverables	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	6,999	6,838	7,028	6,838
New provisions made	223	345	223	374
Release of unused provision	(229)	(145)	(256)	(145)
Amount of provision utilised	(50)	(39)	(52)	(39)
Provision for impairment of total receivables and recoverables - closing balance	6,943	6,999	6,943	7,028

The ageing profile of total net receivables and recoverables at the reporting date is as follows in *Table 25*

Table 25: Debt aging profile	2021			2020		
	Gross	Impaired	Net	Gross	Impaired	Net
Council	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other receivables and recoverables						
Not past due	35,924	(100)	35,824	70,964	(69)	70,895
Past due 0-3 months	11,481	(133)	11,348	11,012	(52)	10,960
Past due 3-6 months	5,048	(271)	4,777	6,091	(308)	5,783
Past due more than 6 months	15,546	(6,439)	9,107	14,399	(6,570)	7,829
TOTAL RECEIVABLES AND RECOVERABLES	67,999	(6,943)	61,056	102,466	(6,999)	95,467
Group	2021			2020		
	Gross	Impaired	Net	Gross	Impaired	Net
Group	\$000	\$000	\$000	\$000	\$000	\$000
Trade and other receivables and recoverables						
Not past due	36,830	(100)	36,730	72,277	(69)	72,208
Past due 0-3 months	11,833	(133)	11,700	11,121	(72)	11,049
Past due 3-6 months	5,053	(271)	4,782	6,112	(317)	5,795
Past due more than 6 months	15,546	(6,439)	9,107	14,406	(6,570)	7,836
TOTAL RECEIVABLES AND RECOVERABLES	69,262	(6,943)	62,319	103,916	(7,028)	96,888

The net receivables and recoverables past due for more than six months primarily relate to fines, which after initial debt recovery attempts, are passed to the Courts to further pursue. Due to their nature, the collection pattern for such fines is longer than for trade debtors.

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 26: Other financial assets	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Represented by:				
Current	62,684	31,488	63,786	33,488
Non-current	22,982	16,131	24,747	17,976
TOTAL OTHER FINANCIAL ASSETS	85,666	47,619	88,533	51,464
Comprised of:				
Equity investments:				
- Civic Financial Services Ltd	507	490	507	490
- NZ Local Government Funding Agency (LGFA)	7,865	6,938	7,865	6,938
- Creative HQ shareholdings	-	-	1,490	1,570
- Legacy investment - Wellington Museums Trust	-	-	260	260
Deposits and loans				
Bank Term deposits - greater than 3 months	61,500	30,000	62,602	32,000
LGFA - borrower notes	14,902	10,152	14,902	10,152
Loans to related parties	892	39	892	39
Loans to external organisations	-	-	15	15
TOTAL OTHER FINANCIAL ASSETS	85,666	47,619	88,533	51,464

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 (2020: 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 (pg 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 2.5 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 (16 November 2021 to 16 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 for all or part of the life of the loan. The movements in the loans are shown in *Table 27*.

Table 27: Loans	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Loans to related parties				
<i>Wellington Regional Stadium Trust</i> <i>(Build and membership underwrite - \$15,394,893)</i>				
Opening balance	39	35	39	35
Amortisation of fair value adjustment	5	4	5	4
Closing balance at fair value	44	39	44	39
<i>Wellington Regional Stadium Trust</i> <i>(COVID-19 support up to \$2,100,000)</i>				
Opening balance	-	-	-	-
Draw down	900	-	900	-
Fair value adjustment	(52)	-	(52)	-
Closing balance at fair value	848	-	848	-
Loans to other external organisations				
Opening balance	-	-	15	23
Loan repayments received	-	-	-	(15)
Amortisation of fair value adjustment	-	-	-	7
Closing balance at fair value	-	-	15	15
TOTAL LOANS	44	39	59	54

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 \$15.000m 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 agreed in 2019/20, was partially drawn down (\$0.900m) during 2020/21. The loan facility is 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. The 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.

Note 15: Non-current assets classified as held for sale

Table 28: Non-current assets classified as held for sale	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Non-current assets held for sale are:				
- Buildings	5,688	658	5,688	658
- Land	9,015	1,657	9,015	1,657
- Investment properties	-	4,100	-	4,100
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14,703	6,415	14,703	6,415

Site 9, part of the Kumutoto area, on the Waterfront, was sold for redevelopment during the year. 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.

After 30 June 2020, as part of the Portfolio Alignment Strategy, a workstream of the Strategic Housing Investment Plan (SHIP), Council has approved 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. It is expected that these properties will be fully divested during 2021/22.

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 29: Intangibles	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Computer software				
Cost - opening balance	64,079	59,825	64,826	60,753
Accumulated amortisation	(45,813)	(42,260)	(46,446)	(42,934)
Computer software opening balance	18,266	17,565	18,380	17,819
Acquired by direct purchase	8,664	4,253	8,707	4,307
Amortisation	(4,977)	(3,552)	(5,026)	(3,680)
Net disposals	-	-	(34)	(66)
Total computer software - closing balance	21,953	18,266	22,027	18,380
Cost	72,823	64,079	73,419	64,826
Accumulated amortisation	(50,870)	(45,813)	(51,392)	(46,446)
Total computer software - closing balance	21,953	18,266	22,027	18,380
Work in progress				
Computer software	3,029	2,149	3,029	2,149
Total work in progress	3,029	2,149	3,029	2,149
Carbon credits				
Cost - Opening Balance	5,299	4,096	5,299	4,096
Additions	8,756	2,970	8,756	2,970
Net disposals	(6)	(1,767)	(6)	(1,767)
Total Carbon credits - closing balance	14,049	5,299	14,049	5,299
TOTAL INTANGIBLES	39,031	25,714	39,105	25,828

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 2021 the Council received no units (2020: 28,367 units).

The Council purchased 215,347 units (2020: 62,103 units) in the market to cover the expected liabilities associated with landfill operations. The Council surrendered no units (2020: 85,000 units) for the 2020 calendar year liability as this liability was paid with a fixed price payment.

During the period ending 30 June 2021, 3,000 units (2020: 27,000 units) were sold to Air New Zealand.

At 30 June 2021 the total liability relating to landfill carbon emissions is \$1.053m (2020: \$1.234m).

More information on carbon credits can be found in the Statements of Service Provision under activity 2.2: Waste reduction and energy conservation (pg XX).

The movement in units held are shown in *Table 30*.

Table 30: Carbon credits	Council		Group	
	2021	2020	2021	2020
	Units	Units	Units	Units
Opening balance	388,830	394,360	388,830	394,360
Additions - Allocated from the Crown	-	28,367	-	28,367
Additions - Purchases	215,347	78,103	215,347	78,103
Disposals - Surrendered to the Crown	-	(85,000)	-	(85,000)
Disposals - Sales	(3,000)	(27,000)	(3,000)	(27,000)
TOTAL CARBON CREDITS	601,177	388,830	601,177	388,830

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 31: Investment properties	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Ground leases, other land and buildings				
Opening balance	258,512	255,012	258,512	255,012
Additions by acquisition	28	-	28	-
Disposals	(4,100)	-	-	-
Adjustment	-	42	-	42
Fair value revaluation movements taken to surplus/(deficit)	20,496	7,558	20,496	7,558
Transfer (to)/from non-current assets classified as held for sale	4,100	(4,100)	-	(4,100)
Total ground leases, other land and buildings	279,036	258,512	279,036	258,512
Work in progress				
Other land and buildings	46	3	46	3
Total work in progress	46	3	46	3
TOTAL INVESTMENT PROPERTIES	279,082	258,515	279,082	258,515

Wellington City Council's investment properties including the waterfront investment properties were valued as at 30 June 2021 by an independent valuer, William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for CBRE Limited.

Table 32: Investment property by type	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Ground leases	236,997	213,757	236,997	213,757
Other land and buildings (including WIP)	42,085	44,758	42,085	44,758
TOTAL INVESTMENT PROPERTIES	279,082	258,515	279,082	258,515

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 33: Summary of property, plant and equipment	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Property, plant and equipment - Opening balance	7,809,894	7,223,566	7,825,777	7,239,892
Additions	173,773	171,433	174,416	172,054
Disposals	(1,957)	(14,605)	(2,297)	(14,644)
Depreciation expense	(131,658)	(114,515)	(133,299)	(115,983)
Impairment losses	(2,024)	(11,371)	(2,024)	(11,371)
Revaluation adjustment	-	(7,643)	-	(7,643)
Revaluation movement	284,268	501,623	284,267	501,623
Movement of non-current assets held for sale	(12,387)	17,429	(12,387)	17,429
Movement of work in progress	83,321	43,977	82,848	44,420
TOTAL PROPERTY, PLANT AND EQUIPMENT	8,203,230	7,809,894	8,217,301	7,825,777

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 (wastewater treatment plants)) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by 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 34*

Table 34: Property, plant and equipment by category and class of asset	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Operational assets				
Land				
Land - at cost - opening balance	2,205	259	2,205	259
Land - at valuation - opening balance	284,601	279,611	284,601	279,611
Total land - opening balance	286,806	279,870	286,806	279,870
Additions	956	1,946	956	1,946
Disposals	(445)	(12,820)	(445)	(12,820)
Revaluation movement	85,524	-	85,524	-
Transfer between asset classes	-	5,315	-	5,315
Movements of non-current assets held for sale	(4,337)	12,495	(4,337)	12,495
Total land - closing balance	368,504	286,806	368,504	286,806
Land - at cost - closing balance	3,161	2,205	3,161	2,205
Land - at valuation - closing balance	365,343	284,601	365,343	284,601
Total land - closing balance	368,504	286,806	368,504	286,806
Buildings				
Buildings - at cost - opening balance	104,300	58,390	104,300	58,390
Buildings - at valuation - opening 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 - opening balance	622,877	766,901	627,113	771,303
Additions	12,329	45,910	12,706	45,920
Depreciation expense	(20,542)	(29,967)	(21,008)	(30,135)
Disposals	(265)	(872)	(265)	(880)
Impairment	(176)	(3,308)	(176)	(3,308)
Revaluation movement	198,744	-	198,744	-
Revaluation adjustment	-	(7,643)	-	(7,643)
Transfer between asset classes	(9,749)	(152,456)	(9,749)	(152,456)
Movements of non-current assets held for sale	(5,030)	4,312	(5,030)	4,312
Total buildings - closing balance	798,188	622,877	802,335	627,113
Buildings - at cost - closing balance	115,761	104,300	115,761	104,300
Buildings - at valuation - closing balance	1,009,833	609,081	1,019,356	618,430
Total cost/valuation	1,125,594	713,381	1,135,117	722,730
Accumulated depreciation	(327,406)	(90,504)	(332,782)	(95,617)
Total buildings - closing balance	798,188	622,877	802,335	627,113
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	6,613	8,017	6,613	8,017
Accumulated depreciation	(3,280)	(3,009)	(3,280)	(3,009)
Total landfill post closure costs - opening balance	3,333	5,008	3,333	5,008
Depreciation expense	(260)	(272)	(260)	(272)
Movement in post closure costs	(2,210)	(1,403)	(2,210)	(1,403)
Total landfill post closure costs - closing balance	863	3,333	863	3,333
Landfill post closure - at cost - closing balance	4,404	6,613	4,404	6,613
Accumulated depreciation	(3,541)	(3,280)	(3,541)	(3,280)
Total landfill post closure costs - closing balance	863	3,333	863	3,333

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.

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Civic Precinct				
Civic Precinct - at cost - opening balance	129,781	167,043	129,781	167,043
Accumulated depreciation	(78,695)	(119,778)	(78,695)	(119,778)
Total Civic Precinct - opening balance	51,086	47,265	51,086	47,265
Additions	2,287	13,259	2,287	13,259
Depreciation expense	(1,252)	(1,411)	(1,252)	(1,411)
Impairment	(1,848)	(8,027)	(1,848)	(8,027)
Total Civic Precinct- closing balance	50,273	51,086	50,273	51,086
Civic Precinct - at cost - closing balance	182,590	180,303	182,590	180,303
Accumulated depreciation and impairment	(132,317)	(129,217)	(132,317)	(129,217)
Total Civic Precinct- closing balance	50,273	51,086	50,273	51,086
Plant and equipment				
Plant and equipment - at cost - opening balance	217,730	194,261	237,613	214,846
Accumulated depreciation	(115,098)	(110,545)	(126,876)	(122,305)
Total plant and equipment - opening balance	102,632	83,716	110,737	92,541
Additions	23,564	22,918	23,830	23,529
Depreciation expense	(23,322)	(11,445)	(24,497)	(12,745)
Disposals	(726)	(396)	(1,066)	(427)
Impairment	-	(32)	-	(32)
Transfer between asset classes	23,839	7,871	23,839	7,871
Total plant and equipment - closing balance	125,987	102,632	132,843	110,737
Plant and equipment - at cost	295,203	217,730	315,162	237,613
Accumulated depreciation	(169,216)	(115,098)	(182,319)	(126,876)
Total plant and equipment - closing balance	125,987	102,632	132,843	110,737
Library collections				
Library collections - at cost - opening balance	-	4,709	-	4,709
Library collections - at valuation - opening 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 - opening balance	15,143	15,641	15,143	15,641
Additions	1,568	1,689	1,568	1,689
Depreciation expense	(1,862)	(2,387)	(1,862)	(2,387)
Revaluation movement	-	200	-	200
Total library collections - closing balance	14,849	15,143	14,849	15,143
Library collections - at cost - closing balance	1,569	-	1,569	-
Library collections - at valuation - closing balance	15,143	15,143	15,143	15,143
Total cost/valuation	16,712	15,143	16,712	15,143
Accumulated depreciation	(1,863)	-	(1,863)	-
Total library collections - closing balance	14,849	15,143	14,849	15,143
Total operational assets	1,358,664	1,081,877	1,369,667	1,094,218

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Infrastructure assets				
Drainage, waste and water				
Drainage, waste and water - at cost - opening balance	-	62,502	-	62,502
Drainage, waste and water - at valuation - opening 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 - opening balance	1,863,798	1,460,662	1,863,798	1,460,662
Additions	79,478	30,521	79,478	30,521
Depreciation expense	(49,257)	(36,227)	(49,257)	(36,227)
Revaluation movement	-	404,633	-	404,633
Transfer between asset classes	(2,833)	4,209	(2,833)	4,209
Total drainage, water and waste - closing balance	1,891,186	1,863,798	1,891,186	1,863,798
Drainage, waste and water - at cost - closing balance	79,225	-	79,225	-
Drainage, waste and water - at valuation - closing balance	3,944,936	3,947,514	3,944,936	3,947,514
Total cost/valuation	4,024,161	3,947,514	4,024,161	3,947,514
Accumulated depreciation	(2,132,975)	(2,083,716)	(2,132,975)	(2,083,716)
Total drainage, water and waste - closing balance	1,891,186	1,863,798	1,891,186	1,863,798
Roading				
Roading - at cost - opening balance	-	93,648	-	93,648
Roading - at valuation - opening 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 - opening balance	1,297,910	1,049,827	1,297,910	1,049,827
Additions	50,829	52,826	50,829	52,826
Depreciation expense	(33,282)	(31,156)	(33,282)	(31,156)
Revaluation movement	-	90,846	-	90,846
Transfer between asset classes	(11,433)	135,567	(11,433)	135,567
Total roading - closing balance	1,304,024	1,297,910	1,304,024	1,297,910
Roading - at cost - closing balance	50,828	-	50,828	-
Roading - at valuation - closing balance	1,904,216	1,915,727	1,904,216	1,915,727
Total cost/valuation	1,955,044	1,915,727	1,955,044	1,915,727
Accumulated depreciation	(651,020)	(617,817)	(651,020)	(617,817)
Total roading - closing balance	1,304,024	1,297,910	1,304,024	1,297,910
Infrastructure land				
Infrastructure land - at cost - opening balance	-	-	-	-
Infrastructure land - at valuation - opening balance	44,323	38,529	44,323	38,529
Total infrastructure land - opening balance	44,323	38,529	44,323	38,529
Additions	-	19	-	19
Disposals	(234)	(350)	(234)	(350)
Revaluation movement	-	5,945	-	5,945
Transfer between asset classes	88	(459)	88	(459)
Movements of non-current assets held for sale	-	639	-	639
Total infrastructure land - closing balance	44,177	44,323	44,177	44,323
Infrastructure land - at cost - closing balance	-	-	-	-
Infrastructure land - at valuation - closing balance	44,177	44,323	44,177	44,323
Total infrastructure land - closing balance	44,177	44,323	44,177	44,323

Disposals and transfers are reported net of accumulated depreciation.

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Land under roads				
Land under roads - at cost - opening balance	2,955,495	2,955,616	2,955,495	2,955,616
Additions	3,143	-	3,143	-
Disposals	(286)	(91)	(286)	(91)
Transfer between asset classes	(83)	(1)	(83)	(1)
Movements of non-current assets held for sale	(3,035)	(29)	(3,035)	(29)
Land under roads - closing balance	2,955,234	2,955,495	2,955,234	2,955,495
Total infrastructure assets	6,194,621	6,161,526	6,194,621	6,161,526
Restricted assets ²				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,872	8,893	11,211	11,232
Transfer between asset classes	-	(21)	-	(21)
Art and cultural assets - closing balance	8,872	8,872	11,211	11,211
Buildings on restricted land				
Buildings on restricted land - at cost - opening balance	45,465	42,292	45,465	42,292
Accumulated depreciation	(16,385)	(15,226)	(16,385)	(15,226)
Total buildings on restricted land - opening balance	29,080	27,066	29,080	27,066
Additions	1,739	3,748	1,739	3,748
Depreciation expense	(1,881)	(1,650)	(1,881)	(1,650)
Disposals	-	(55)	-	(55)
Impairment	-	(4)	-	(4)
Transfer between asset classes	177	(25)	177	(25)
Total buildings on restricted land - closing balance	29,115	29,080	29,115	29,080
Buildings on restricted land - at cost - closing balance	47,381	45,465	47,381	45,465
Accumulated depreciation	(18,266)	(16,385)	(18,266)	(16,385)
Total buildings on restricted land - closing balance	29,115	29,080	29,115	29,080
Parks and reserves				
Parks and reserves - at cost - opening balance	213,210	213,219	213,210	213,219
Additions	91	-	91	-
Disposals	(1)	(21)	(1)	(21)
Transfer between asset classes	(6)	-	(6)	-
Movements of non-current assets held for sale	15	12	15	12
Parks and reserves - closing balance	213,309	213,210	213,309	213,210
Town Belt - at cost	89,232	89,232	89,232	89,232
Zoo animals - at cost	500	500	500	500
Total restricted assets	341,028	340,894	343,367	343,233
Work in progress	308,917	225,597	309,646	226,800
TOTAL PROPERTY, PLANT AND EQUIPMENT	8,203,230	7,809,894	8,217,301	7,825,777

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 2021, 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 2021 for investment properties and operational land and building 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 2020 and 30 June 2021 for infrastructure assets was assessed using appropriate indices. The increase in asset value of total property, plant and equipment assets was not considered material by management and accordingly the assets were not revalued for 30 June 2021.

Further information on revaluation reserves and movements is contained in Note 27: Revaluation reserves (pg 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 34*) are the core Council assets shown in *Table 35*

Table 35: Council's core assets	2021			
	Closing book value	Constructed Additions	Vested Additions	Replacement Cost
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	500,285	36,360	2,735	1,136,474
Sewerage				
- treatment plants and facilities	143,877	253	-	231,502
- other assets	636,993	23,149	923	1,319,448
Stormwater drainage	610,032	14,825	1,233	1,189,585
Flood protection and control works	-	-	-	-
Roads and footpaths	1,304,024	46,399	4,430	2,015,702
TOTAL CORE ASSETS	3,195,210	120,986	9,321	5,892,711
	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

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 has a contract with Veolia Water, which covers the wastewater treatment plants of Wellington, Porirua and Hutt City councils. 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 \$216,565m (2020: \$127.446m).

Insurance of assets

Table 36: Insurance of assets	Council	
	2021	2020
	\$000	\$000
Total value of property, plant and equipment	8,203,230	7,809,894
/less assets (primarily land) excluded from insurance contracts	(3,979,373)	(3,814,663)
Value of assets covered by insurance contracts	4,223,857	3,995,231
The maximum amount to which assets are insured under Council insurance policies	713,000	721,000

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 NZTA 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 \$12.979m (2020: \$12.491m) 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 2021 an amount of \$1.505m (2020: \$1.981m) was added to the reserve. The net cost of claims applied to the reserve during the year amounted to \$1.017m (2020: \$0.688m).

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 37*.

Table 37: Cost of Investment in controlled entities	Council	
	2021	2020
	\$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 37* 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 and are not considered as equity investments.

Information on inter-company transactions is included in the Note 36: Related party disclosures (pg XX).

The controlled entities of Council are listed as shown in *Table 38*.

Table 38: Controlled entities	Accounting Interest 2021	Accounting Interest 2020	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 operates 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 the joint venture is reflected in the Council financial statements as follows in Table 39.

Table 39: Cost of investment in associates and joint venture	Council	
	2021 \$000	2020 \$000
Chaffers Marina Holdings Limited	1,298	858
Wellington International Airport Limited	17,775	17,775
Wellington Water Limited	400	400
TOTAL COST OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE	19,473	19,033

The Council has significant influence over the following entities as listed in Table 40. All of these are domiciled and operate in New Zealand:

Table 40: Associates and Joint venture	Accounting Interest 2021	Accounting Interest 2020	Nature of business
Chaffers Marina Holdings Limited	10.72%	10.72%	Holding company for Chaffers Marina Limited.
- Chaffers Marina Limited	10.72%	10.72%	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%	40.00%	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 2021 Council held a 10.72 percent (2020: 10.72 percent) interest in Chaffers Marina Holdings Limited 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.

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 (pg 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.

The company has a reporting period ending 30 June and has a dual share structure as shown in *Table 41*.

Table 41: 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 (from 1/11/2013)	150	40	8%
Porirua City (from 1/11/2013)	150	60	12%
Greater Wellington Regional (from 16/9/2014)	150	75	15%
South Wairarapa District (from 26/9/2019)	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 (2020: 40 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 in *Table 42*:

Table 42: Value of investment in associates and joint venture	Group	
	2021	2020
	\$000	\$000
Chaffers Marina Holdings Limited		
Opening balance	363	849
Change in shares during the year	441	(448)
Change in equity due to changed shareholding	-	7
Equity accounted earnings of associate	52	(45)
Closing balance - investment in Chaffers Marina Holdings Limited	856	363
Wellington International Airport Limited		
Opening balance	209,986	194,201
Dividends	-	(12,061)
Equity accounted earnings of associate	(4,183)	18,983
Share of net revaluation of property, plant and equipment - movement	26,359	9,290
Share of hedging reserve - movement	(573)	(427)
Closing balance - investment in Wellington International Airport Limited	231,589	209,986
Wellington Water Limited		
Opening balance	607	723
Change in equity due to changed shareholding	-	(16)
Equity accounted earnings of joint venture	240	(100)
Closing balance - investment in Wellington Water Limited	847	607
TOTAL VALUE OF INVESTMENT IN ASSOCIATES AND JOINT VENTURE	233,291	210,956

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 (pg XX).

Summary of Financial Position and Performance of associates

Financial information relating to the Council's associates is provided in *Tables 43* and *44* below:

Table 43: Chaffers Marina Holdings Limited	2021	2020
	\$000	\$000
Council		
Investment in Chaffers Marina Holdings Limited (at cost)	1,298	858
Group		
Summarised financial information of associate		
Current assets	1,393	1,032
Non-current assets	4,788	4,455
Current liabilities	(182)	(178)
Non-current liabilities	(2,125)	(1,924)
Net assets	3,874	3,385
Revenue	2,093	1,385
Tax expense	-	-
Surplus / (deficit) after tax	437	(375)
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	437	(375)
Reconciliation to equity accounted carrying amount		
Net assets	3,874	3,385
Group's share %	10.72%	10.72%
Group's share \$000	415	363
Other consolidation adjustments	441	-
Equity accounted carrying amount	856	363
Risks associated with the Council's investment in the associate		
Share of contingent liabilities	-	-

Table 44: Wellington International Airport Limited	2021	2020
	\$000	\$000
Council		
Investment in Wellington International Airport Limited (at cost)	17,775	17,775
Group		
Dividends received	-	12,061
Summarised financial information of associate		
Current assets	96,806	35,043
Non-current assets	1,399,164	1,336,927
Current liabilities	(117,977)	(89,204)
Non-current liabilities	(705,266)	(641,835)
Net assets	672,727	640,931
Revenue	68,787	146,377
Tax credit /(expense)	12,404	34,527
	-	
Surplus / (deficit) after tax	(48,120)	(5,640)
Other comprehensive revenue and expense	79,573	22,590
Total comprehensive revenue and expense	31,453	16,950
Reconciliation to equity accounted carrying amount		
Net assets	672,727	640,931
Group's share %	34%	34%
Group's share \$000	228,727	217,917
Dividends received not in WIAL annual report	-	(12,061)
Difference on adoption of IFRS 9	2,860	4,129
Other consolidation adjustments	2	1
Equity accounted carrying amount	231,589	209,986
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 45 below:

Table 45: Wellington Water Limited	2021	2020
	\$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	29,959	18,969
Other current assets	22,754	11,609
Total current assets	52,713	30,578
Non-current assets	2,543	2,288
Current liabilities		
Financial liabilities (excluding accounts payable)	-	-
Other current liabilities	(53,019)	(31,156)
Total current liabilities	(53,019)	(31,156)
Non-current liabilities		
Financial liabilities (excluding accounts payable)	-	-
Other non-current liabilities	(119)	(192)
Total non-current liabilities	(119)	(192)
Net assets	2,118	1,518
Revenue, excluding interest	226,288	187,668
Interest revenue	60	127
Depreciation and amortisation	(1,217)	(1,117)
Interest expense	-	-
Tax expense	-	-
Surplus / (deficit) after tax	542	(251)
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense	542	(251)
Reconciliation to equity accounted carrying amount		
Net assets	2,118	1,518
Group's share %	40%	40%
Group's share \$000	847	607
Other consolidation adjustments	-	-
Equity accounted carrying amount	847	607
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 46: Exchange transactions, transfers and taxes payable	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current				
Exchange transactions and transfers payable	71,877	57,417	74,211	60,404
Taxes payable	10,887	8,185	11,211	8,458
Non-current				
Exchange transactions and transfers payable	231	231	231	231
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	82,995	65,833	85,653	69,093

Comprised of:

Table 47: Exchange transactions and transfers payable	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Trade payables and accruals	64,790	50,015	67,124	52,968
Interest payable	3,729	3,519	3,729	3,519
Sundry payables	3,589	4,114	3,589	4,148
Total exchange transactions and transfers payable	72,108	57,648	74,442	60,635

Table 48: Taxes payable	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
GWRC rates	6,693	5,332	6,693	5,332
Other	4,194	2,853	4,518	3,126
Total taxes payable	10,887	8,185	11,211	8,458
TOTAL EXCHANGE TRANSACTIONS, TRANSFERS AND TAXES PAYABLE	82,995	65,833	85,653	69,093

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 working days for valid authorised invoices. This practice was still in place as at 30 June 2021 to ensure that suppliers were able to maintain their own cashflows by receiving prompt payment.

Table 49: Exchange transactions, transfers and payable to related parties	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Controlled entities	1,769	309	-	-
Associates and jointly controlled entity	14,397	6,945	14,397	6,945
Total exchange transactions, transfers and payable to related parties	16,166	7,254	14,397	6,945

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 50: Revenue in advance	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Exchange				
Lease rentals	2,088	2,146	2,088	2,146
Other	495	-	5,077	2,434
Taxes				
Rates	2,014	1,742	2,014	1,742
Transfers				
Wellington Venues operations	1,176	950	1,176	950
Inspection and licensing fees	4,791	4,578	4,791	4,578
Other	1,207	953	1,340	1,525
Liabilities recognised under conditional transfer agreements	9,113	3,933	10,047	5,958
TOTAL REVENUE IN ADVANCE	20,884	14,302	26,533	19,333

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.
- \$5.370m of Government Stimulus funding in relation to Three Waters reform.

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.

Gross Borrowings

The gross borrowings are comprised as follows in *Table 51* below:

Table 51: Gross borrowings	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current				
Bank loans - term	23	-	23	-
Commercial paper	68,000	68,000	68,000	68,000
Debt securities - fixed rate bonds	-	25,000	-	25,000
Debt securities - floating rate notes	86,500	93,000	86,500	93,000
Finance leases	-	-	21	28
Total current	154,523	186,000	154,544	186,028
Non-current				
Bank loans - term	7,129	5,931	7,792	5,931
Debt securities - fixed rate bonds	105,000	35,000	105,000	35,000
Debt securities - floating rate notes	642,000	549,000	642,000	549,000
Finance leases	-	-	-	20
Total non-current	754,129	589,931	754,792	589,951
TOTAL GROSS BORROWINGS	908,652	775,931	909,336	775,979

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 52* below.

Table 52: Net borrowings	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Total gross borrowings	908,652	775,931	909,336	775,979
<i>Less</i>				
Cash and cash equivalents (see Note 11)	(84,349)	(98,577)	(103,542)	(113,285)
Term deposits > 3 months	(61,500)	(30,000)	(62,602)	(32,000)
TOTAL NET BORROWINGS	762,803	647,354	743,192	630,694

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 (pg XX).

Table 53, 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 53: 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	130,000	-		
Bank loans - term	8,752	7,815	2023 - 2041	3.00 - 3.65
Commercial paper	100,000	68,000	9/8/2021 - 16/9/2021	0.34 - 0.40
Debt securities - fixed rate bonds	105,000	105,000	31/7/2023 - 14/4/2033	1.05 - 5.37
Debt securities - floating rate notes	728,500	728,500	30/9/2021 - 16/4/2033	0.64 - 1.31
Finance leases	21	21		
Total	1,079,173	909,336		

- The bank overdraft facilities are \$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 \$63.399m (2020: \$52.537m) 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 \$53.632m (2020: \$44.390m), 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 \$12.964m (2020: \$11.344m) 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 54: Employee benefit liabilities and provisions	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current				
Short-term benefits				
Payroll accruals	108	3,189	512	4,105
Holiday leave	6,936	7,068	8,461	8,641
Total short-term benefits	7,044	10,257	8,973	12,746
Termination benefits				
Other contractual provisions	-	104	-	127
Total termination benefits	-	104	-	127
Total current	7,044	10,361	8,973	12,873
Non-current				
Long-term benefits				
Long service leave provision	-	-	43	60
Retirement gratuities provision	724	764	724	764
Total long-term benefits	724	764	767	824
TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS	7,768	11,125	9,740	13,697

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. Please refer to Note 34 – Contingencies (page XX) for more information on an unquantified contingent liability relating to holiday pay.

Movements in specific employee benefit provisions above are analysed in *Tables 55 and 56* below.

Table 55: Other contractual provisions	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	104	19	127	19
New provision	-	104	-	127
Release of unused provision	-	-	-	-
Amount utilised	(104)	(19)	(127)	(19)
Other contractual provisions - closing balance	-	104	-	127

Background to Other contractual provisions

The above provision is to cover estimated redundancy costs, if any, as at 30 June 2021 resulting from current restructuring within the Council.

Relevant significant accounting policies – Other contractual provisions 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.

Table 56: Retirement gratuities provision	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	764	782	764	782
Movement in required provision	8	59	8	59
Release of unused provision	-	-	-	-
Rediscounting of interest	1	10	1	10
Amount utilised	(49)	(87)	(49)	(87)

Background to the retirement gratuity provision

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 – retirement gratuities provision 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 1.85 percent) as at 30 June 2021, before discounting, is \$0.770m (2020: \$0.820m). The discount factor of 2.51 percent is based on the Treasury risk-free rate.

Note 25: Provisions for other liabilities

Table 57: Provisions for other liabilities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Current				
Landfill post closure costs	1,798	1,143	1,798	1,143
Weathertight homes	481	7,859	481	7,859
Total current	2,279	9,002	2,279	9,002
Non-current				
Landfill post closure costs	17,810	20,652	17,810	20,652
Weathertight homes	32,680	31,502	32,680	31,502
Total non-current	50,490	52,154	50,490	52,154
TOTAL PROVISIONS FOR OTHER LIABILITIES	52,769	61,156	52,769	61,156

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 *Tables 58 and 59* below.

Table 58: Landfill post closure costs	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	21,795	20,977	21,795	20,977
Movement in provision	(815)	10	(815)	10
Re-discounting of interest	(1,037)	1,141	(1,037)	1,141
Amount utilised	(335)	(333)	(335)	(333)
Landfill post closure costs - closing balance	19,608	21,795	19,608	21,795
Current	1,798	1,143	1,798	1,143
Non-current	17,810	20,652	17,810	20,652
Landfill post closure costs - closing balance	19,608	21,795	19,608	21,795

Background to the Landfill post-closure provision

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 – Landfill post-closure 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 3.39 percent and 1.91 percent for open and closed landfills respectively. The gross provision (inflation adjusted at 1.97 percent) before discounting, is \$22.905m (2020: \$23.528m). 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 435,094m³ (2020: 525,714 m³) and is expected to close in 2026. 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 2053.

Table 59: Weathertight homes	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	39,361	38,122	39,361	38,122
Additional or increased provision made	669	4,622	669	4,622
Amount utilised	(6,869)	(3,383)	(6,869)	(3,383)
Weathertight homes - closing balance	33,161	39,361	33,161	39,361
Current	481	7,859	481	7,859
Non-current	32,680	31,502	32,680	31,502
Weathertight homes - closing balance	33,161	39,361	33,161	39,361

Background to the Weathertight homes provision

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 \$11.649m (2020: \$13.254m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Movement in the provision

During the year \$6.869m was paid as either part or full settlement of claims. An additional \$0.669m 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 60 below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

Table 60: Weathertight provision sensitivity		2021	
		\$000	
		+10%	-10%
Assumption		Surplus or Deficit	
Amount claimed		3,316	(3,316)
Settlement level award		3,316	(3,316)
Council contribution to settlement		3,316	(3,316)
Change in percentage of homeowners who will make a successful claim		1,165	(1,165)
Assumption		+2%	-2%
Discount rate		(2,161)	1,425

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 61: Funding for weathertight homes liability	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	(32,928)	(36,036)	(32,928)	(36,036)
Rates funding for weathertight homes liability	3,950	7,677	3,950	7,677
Total amounts paid	(6,869)	(3,383)	(6,869)	(3,383)
Interest allocation	(1,628)	(1,186)	(1,628)	(1,186)
Closing balance funded through borrowings	(37,475)	(32,928)	(37,475)	(32,928)

Note 26: Deferred tax

Recognised temporary differences and tax losses

Table 62: Deferred tax assets and liabilities	Group	
	2021	2020
	\$000	\$000
Opening 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 opening balance	(308)	(1,014)
Charged to surplus or deficit		
Property, plant and equipment	(184)	497
Intangible assets	(14)	26
Employee entitlements	(10)	(14)
Other provisions	(3)	(1)
Tax losses	(161)	198
Total charged to surplus or deficit	(372)	706
Closing balance		
Property, plant and equipment	(893)	(709)
Intangible assets	(8)	6
Employee entitlements	169	179
Other provisions	9	12
Tax losses	43	204
TOTAL CLOSING BALANCE	(680)	(308)

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 \$0.184m (2020: \$0.053m).

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

Table 63: Statement of Changes in Equity For the year ended 30 June 2021		Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
	Note					
EQUITY - Opening balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,809,762	3,775,454	3,795,806	3,821,257	3,799,312
Revaluation reserves		2,348,061	2,059,064	1,854,208	2,520,701	2,017,583
Hedging reserve		(107,041)	(68,138)	(68,138)	(107,087)	(67,757)
Fair value through other comprehensive revenue and expense reserve		5,085	4,290	4,290	6,100	5,328
Non-controlling interest		-	-	-	284	284
Restricted funds		16,182	14,865	14,865	20,027	19,033
TOTAL EQUITY - Opening balance		7,341,183	7,054,669	6,870,165	7,554,444	7,066,945
CHANGES IN EQUITY						
Retained earnings						
Net surplus / (deficit) for the year		7,457	(49,524)	15,146	4,287	22,812
Transfer to restricted funds		(6,760)	(3,336)	(4,049)	(7,990)	(4,494)
Transfer from restricted funds		3,957	2,547	2,732	4,659	3,500
Transfer from revaluation reserves		947	-	127	947	127
Transfer to non-controlling interest		-	-	-	(497)	-
Revaluation reserves	27					
Fair value movement - property, plant and equipment - net		284,092	86,710	493,980	310,451	503,245
Transfer to retained earnings		(947)	-	(127)	(947)	(127)
Hedging reserve	28					
Movement in hedging reserve		60,019	-	(38,903)	59,446	(39,330)
Fair value through other comprehensive revenue and expense reserve	29					
Movement in fair value - Equity investments		944	-	795	944	795
Movement in fair value - Available for sale equities		-	-	-	(388)	(23)
Non-controlling interest						
Transfer from retained earnings		-	-	-	497	-
Restricted funds	30					
Transfer to retained earnings		(3,957)	(2,547)	(2,732)	(4,659)	(3,500)
Transfer from retained earnings		6,760	3,336	4,049	7,990	4,494
Total comprehensive revenue and expense		352,512	37,186	471,018	374,740	487,499
EQUITY - Closing balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,815,363	3,725,141	3,809,762	3,822,663	3,821,257
Revaluation reserves		2,631,206	2,145,774	2,348,061	2,830,205	2,520,701
Hedging reserve		(47,022)	(68,138)	(107,041)	(47,641)	(107,087)
Fair value through other comprehensive revenue and expense reserve		6,029	4,290	5,085	6,656	6,100
Non-controlling interest		-	-	-	781	284
Restricted funds		18,985	15,654	16,182	23,358	20,027
TOTAL EQUITY - Closing balance		7,693,695	7,091,855	7,341,183	7,929,184	7,554,444

The notes on pg 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 \$286.514m over budget. This is largely due to:

- a \$34.308m higher net surplus mainly due to the \$33.000m Civic Administration Building (CAB) insurance recovery resulting from the 2016 Kaikoura earthquake
 - \$288.997m higher than expected revaluation reserves primarily due to the timing of the 2019/20 infrastructure revaluations which were delayed by COVID-19
- Offset by:
- a \$38.903m more unfavourable closing balance in the Hedging reserve following negative movements in the swap interest rates

Changes in equity were \$315.326m higher than budget with major variances of:

- \$56.981m higher net surplus mainly due to the better-than-expected revenue post the first COVID-19 lockdown and lower costs, unbudgeted vested assets (\$9.411m), and higher than expected fair value revaluations of investment properties (\$14.421m).
- \$197.382m higher revaluations of land and building assets
- a \$60.019m favourable movement in swap interest rates.

Closing equity is \$601.840m higher than budget with major variances of:

- a \$90.222m higher retained earnings from the higher net surplus above and the flow on effect of the \$33.000m CAB insurance proceeds.
- \$485.432m higher revaluation reserves due to the \$197.382m higher valuations and the flow-on-effect of the \$288.997m higher opening reserve balance.
- a \$21.116m less unfavourable Hedging reserve following a \$60.019m favourable movement in swap interest rates.

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 64: Revaluation reserves	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Land - opening balance	203,103	203,103	203,103	203,103
Revaluation recognised in other comprehensive revenue and expense	85,524	-	85,524	-
Transfer to retained earnings due to disposal of assets	(427)	-	(427)	-
Land - closing balance	288,200	203,103	288,200	203,103
Buildings - opening balance	316,901	359,189	316,901	359,189
Revaluation recognised in other comprehensive revenue and expense	198,744	-	198,744	-
Revaluation adjustment	(176)	(7,643)	(176)	(7,643)
Transfer between assets classes	261	(34,518)	261	(34,518)
Transfer to retained earnings due to disposal of assets	(298)	(127)	(298)	(127)
Buildings - closing balance	515,432	316,901	515,432	316,901
Library collections - opening balance	8,592	8,392	8,592	8,392
Revaluation recognised in other comprehensive revenue and expense	-	200	-	200
Library collections - closing balance	8,592	8,592	8,592	8,592
Drainage, waste and water - opening balance	1,167,739	764,153	1,167,739	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	1,167,739	1,167,739	1,167,739
Infrastructure land - opening balance	24,802	18,858	24,802	18,858
Revaluation recognised in other comprehensive revenue and expense	-	5,944	-	5,944
Transfer to retained earnings due to disposal of assets	(222)	-	(222)	-
Infrastructure land - closing balance	24,580	24,802	24,580	24,802
Roading - opening balance	626,924	500,513	626,924	500,513
Revaluation recognised in other comprehensive revenue and expense	-	90,846	-	90,846
Transfer between assets classes	(261)	35,565	(261)	35,565
Roading - closing balance	626,663	626,924	626,663	626,924
Associates' revaluation reserves - opening balance	-	-	172,640	163,375
Revaluation recognised in other comprehensive revenue and expense	-	-	26,359	9,290
Effect of change in shareholding	-	-	-	(25)
Associates' revaluation reserves - closing balance	-	-	198,999	172,640
Total revaluation reserves - closing balance	2,631,206	2,348,061	2,830,205	2,520,701

These revaluation reserve movements are represented by:

Table 65: Summary of revaluation reserve movements	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	2,348,061	1,854,208	2,520,701	2,017,583
Revaluation recognised in other comprehensive revenue and expense	284,268	501,623	310,627	510,913
Effect of change in shareholding	-	-	-	(25)
Revaluations adjustment	(176)	(7,643)	(176)	(7,643)
Transfer to retained earnings due to disposal of assets	(947)	(127)	(947)	(127)
TOTAL REVALUATION RESERVES	2,631,206	2,348,061	2,830,205	2,520,701

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes.

For the period ending 30 June 2021 Council has revalued its investment properties, which are revalued annually – refer to Note 17 – Investment properties, for more information (pg XX).

Council also revalued its operational land and buildings – refer to Note 18 – Property, Plant and Equipment, for more information (pg XX).

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.

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 66: Hedging reserve	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	(107,041)	(68,138)	(107,087)	(67,757)
Cash flow hedge net movement recognised in other comprehensive revenue and expenses	60,019	(38,903)	59,446	(39,330)
TOTAL HEDGING RESERVE	(47,022)	(107,041)	(47,641)	(107,087)

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 67: Fair value through other comprehensive revenue and expense reserve	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance	5,085	4,290	6,100	5,328
Movements:				
Civic Financial Services Limited	17	13	17	13
Local Government Funding Agency	927	782	927	782
Creative HQ shareholdings - available for sale	-	-	(388)	(23)
TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE	6,029	5,085	6,656	6,100

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.

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 68: Restricted funds	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Special reserves and funds	18,503	15,714	21,652	18,888
Trusts and bequests	482	468	1,706	1,139
TOTAL RESTRICTED FUNDS	18,985	16,182	23,358	20,027

Table 69: Special reserves and funds	Opening	Additional	Utilised	Closing
	Balance	Funds	Funds	Balance
	2021	2021	2021	2021
	\$000	\$000	\$000	\$000
Council				
City recovery fund (was City Growth Fund)	2,441	5,241	(2,940)	4,742
Reserve purchase and development fund	782	-	-	782
Insurance reserve	12,491	1,505	(1,017)	12,979
Total Council	15,714	6,746	(3,957)	18,503
Controlled entities' reserve funds	3,174	96	(121)	3,149
Total Group - Special reserves and funds	18,888	6,842	(4,078)	21,652

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.

The City Recovery Fund has a closing balance of \$4.742m with combined funding for the year of \$5.241m (2020: \$1.787m) provided from rates. During the year \$2.940m (2020: \$2.107m) was utilised.

Under the LTP 2021-31 this fund will revert back to the City Growth Fund for 2021/22.

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 \$1.505m (2020: \$1.981m) were funded through rates as identified in the Annual Plan. During the year \$1.017m (2020: \$0.668m) 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 \$0.014m (2020: \$0.017m) has been applied in accordance with the original terms and conditions.

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 2020, the value of the estate held by the Public Trust was \$18.639m (31 August 2019: \$18.441m), 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 - \$0.979m
- Funds utilised towards the Pukehuia Park (Newlands) upgrade - \$0.979m, with \$0.495m expected to be spent in 2021/22.

Statement of cash flows

Table 70: Statement of Cash Flows For the ended 30 June 2021	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021	2021	2020	2021	2020
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from rates - Council	342,909	344,102	316,718	342,909	316,718
Receipts from rates- Greater Wellington Reginal Council	72,795	71,540	70,418	72,795	70,418
Receipts from activities and other revenue	179,056	145,989	144,334	197,139	168,958
Receipts from grants and subsidies - Operating	18,604	8,972	8,035	31,413	14,241
Receipts from grants and subsidies - Capital	27,118	28,112	26,837	28,025	26,977
Receipts from investment property lease rentals	10,999	10,797	10,861	10,999	10,861
Cash paid to suppliers and employees	(362,803)	(325,628)	(356,198)	(420,323)	(412,922)
Rates paid to GWRC	(71,428)	(71,540)	(70,511)	(71,428)	(70,511)
Grants paid	(46,901)	(53,485)	(42,711)	(19,266)	(14,809)
Income tax paid	-	-	-	183	(9)
Net GST (paid) / received	5,128	-	(1,110)	5,742	(1,027)
NET CASH FLOWS FROM OPERATING ACTIVITIES	175,477	158,859	106,673	178,188	108,895
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received	66	908	12,147	66	12,147
Interest received	2,114	13	2,280	2,246	2,530
Loan repayments	-	-	-	-	15
Proceeds from sale of property, plant and equipment	2,163	-	18,111	2,848	18,111
Proceeds from sale of Intangibles	109	-	837	109	837
Proceeds from sale of Investment property	500	-	-	500	-
Loan advances made	(900)	-	-	(900)	-
(Increase) / decrease in investments	(36,690)	-	(22,224)	(35,788)	(22,608)
Purchase of investment properties	(1,092)	-	(42)	(1,092)	(42)
Purchase of intangibles	(18,277)	(9,508)	(4,001)	(18,277)	(4,001)
Purchase of property, plant and equipment	(245,489)	(280,115)	(211,748)	(246,070)	(212,986)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(297,496)	(288,702)	(204,640)	(296,358)	(205,997)
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings	250,721	277,149	154,269	251,385	154,269
Repayment of borrowings	(118,000)	(125,000)	(67,294)	(118,028)	(67,294)
Interest paid on borrowings	(24,930)	(25,718)	(25,677)	(24,930)	(25,677)
NET CASH FLOWS FROM FINANCING ACTIVITIES	107,791	126,431	61,298	108,427	61,298
Net increase/(decrease) in cash and cash equivalents	(14,228)	(3,412)	(36,669)	(9,743)	(35,804)
Cash and cash equivalents at beginning of year	98,577	8,179	135,246	113,285	149,089
CASH AND CASH EQUIVALENTS AT END OF YEAR	84,349	4,767	98,577	103,542	113,285

The notes on pg 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 \$63.399m (2020: \$52.537m) mainly relating to the housing upgrade project and waste activities. For more information see Note 23: Borrowings (pg 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 \$16.618m higher than budget, including main variances of:

- \$33.000m relating to the insurance recovery recognised in 2019/20 but received in 2020/21
- \$8.638m of higher total grants and subsidies received largely due to the unbudgeted \$10.100m Government Stimulus funding package for Three Waters reform
- \$6.584m lower grants paid including \$2.691m less paid for CCO support.
- \$5.128m relating to the timing of a GST refund

Offset by:

- \$37.175 of higher payments made to suppliers including an unbudgeted \$10.100m paid in relation to the Government Stimulus funding package for Three Waters reform

Net cash flows from investing activities were \$8.793m higher than budget, including main variances of:

- \$36.690m relating to increases in investments, principally term deposits of \$31.500m
- \$2.163m from the unbudgeted proceeds from the disposal of assets
- \$2.101m higher than budgeted interest revenue

Offset by:

- \$34.627m of lower purchases of Property, plant and equipment assets resulting from less than budgeted capital expenditure

Net cash flows from financing activities were \$18.640m lower than budget, including main variances of:

- \$19.428m of a lower net movement in borrowings resulting from lower capital expenditure

Offset by:

- \$0.788m of lower net interest paid due to lower borrowings and lower interest rates.

Note 31: Reconciliation of cash flows

Table 71: Reconciliation of net surplus / (deficit) to net cash flows from operating activities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Net surplus / (deficit) for the period	7,457	15,146	4,287	22,812
Add/(deduct) non-cash items:				
Vested assets	(9,411)	(7,599)	(9,411)	(7,599)
Bad debts written off not previously provided for	76	6	79	13
Depreciation and amortisation	136,635	118,067	138,324	119,503
Impairment of property, plant and equipment	1,849	10,184	1,849	10,184
Fair value changes in investment properties	(20,496)	(7,558)	(20,496)	(7,558)
Other fair value changes	48	(6)	(23)	1
Movement in provision for impairments of doubtful debts	(95)	161	(122)	188
Tax expense/(credit)	-	-	30	(541)
Non-cash movement in provisions	830	4,706	977	4,706
Total non-cash items	109,436	117,961	111,207	118,897
Add/(deduct) movement in working capital: ¹				
Exchange receivables and non-exchange recoverables	34,229	(39,448)	34,767	(38,424)
Prepayments	(12,620)	9,486	(12,423)	9,515
Inventories	762	(551)	854	(849)
Exchange transactions, taxes and transfers payables	14,245	(7,632)	12,960	(9,765)
Revenue in advance	6,582	229	7,190	2,066
Employee benefit liabilities	(276)	1,614	(588)	1,449
Provision for other liabilities	(6,974)	(1,160)	(6,625)	(850)
Total working capital movement	35,948	(37,462)	36,135	(36,858)
Add/(deduct) investing and financing activities:				
Net (gain)/loss on disposal of property, plant and equipment	(552)	433	(548)	447
Net (gain)/loss on disposal of intangibles	(126)	(655)	(126)	(589)
Net (gain)/loss on disposal of investment property	564	-	564	-
Dividends received	(66)	(12,147)	(66)	(86)
Interest received	(2,114)	(2,280)	(2,186)	(2,469)
Tax paid and subvention receipts	-	-	94	(98)
Interest paid on borrowings	24,930	25,677	24,936	25,677
Share of equity accounted (surplus)/deficit in associates	-	-	3,891	(18,838)
Total investing and financing activities	22,636	11,028	26,559	4,044
NET CASH FLOWS FROM OPERATING ACTIVITIES	175,477	106,673	178,188	108,895

1. Excluding non-cash items

Table 72: Reconciliation of liabilities arising from financing activities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Opening balance				
Current borrowings	186,000	125,039	186,028	125,068
Non-current borrowings	589,931	563,917	589,951	563,965
Hedges held against borrowings:				
- Interest rate swaps - cash flow hedges	107,041	68,138	107,087	67,757
Total opening balance	882,972	757,094	883,066	756,790
Cash flow movements - current				
Repayment of borrowings - current	(118,000)	(67,294)	(118,028)	(67,323)
New borrowings	-	60,255	-	60,255
Movement from non-current to current borrowings	86,523	68,000	86,544	68,028
Cash flow movements - non-current				
New borrowings	250,721	94,014	251,385	94,014
Movement from non-current to current borrowings	(86,523)	(68,000)	(86,544)	(68,028)
Total Cash movements	132,721	86,975	133,357	86,946
Non-cash flow movements				
- Interest rate swaps - cash flow hedges	(60,019)	38,903	(59,446)	39,330
Total movements	72,702	125,878	73,911	126,276
Closing balance				
Current borrowings	154,523	186,000	154,544	186,028
Non-current borrowings	754,129	589,931	754,792	589,951
Hedges held against borrowings:				
- Interest rate swaps - cash flow hedges	47,022	107,041	47,641	107,087
Total closing balance	955,674	882,972	956,977	883,066

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 73 below, provides an analysis of the Group's financial assets and financial liabilities by reporting category as described in the accounting policies:

Table 73: Financial Instruments by category	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	84,349	98,577	103,542	113,285
Receivables and recoverables	61,056	95,467	62,319	96,888
Other financial assets	77,294	40,191	78,411	42,466
Total loans and receivables	222,699	234,235	244,272	252,639
Financial assets at fair value through other comprehensive revenue and expense				
Other financial assets	8,372	7,428	10,122	8,998
Total financial assets at fair value through other comprehensive revenue and expense	8,372	7,428	10,122	8,998
Hedged derivative financial instruments				
Derivatives designated as cash flow hedges	7,821	-	7,821	-
Total hedged derivative financial instruments	7,821	-	7,821	-
Total financial assets	238,892	241,663	262,215	261,637
Total non-financial assets	8,582,714	8,134,908	8,806,523	8,339,414
TOTAL ASSETS	8,821,606	8,376,571	9,068,738	8,601,051
Financial liabilities				
Financial liabilities at amortised cost				
Exchange transactions and transfers payable	72,108	57,417	74,442	60,635
Taxes payable	10,887	8,185	11,211	8,458
Borrowings	908,652	775,931	909,336	775,979
Total financial liabilities at amortised cost	991,647	841,533	994,989	845,072
Derivative financial instruments				
Derivatives designated as cash flow hedges	54,843	107,041	54,843	107,041
Total derivative financial instruments	54,843	107,041	54,843	107,041
Total financial liabilities	1,046,490	948,574	1,049,832	952,113
Total non-financial liabilities	81,421	86,814	89,722	94,494
TOTAL LIABILITIES	1,127,911	1,035,388	1,139,554	1,046,607

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.

	2021			2020		
	Level	Level	Level	Level	Level	Level
	1	2	3	1	2	3
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets						
Financial assets at fair value through other comprehensive revenue and expense	-	-	10,122	-	-	9,258
Derivative financial instruments						
- Cash flow hedges	-	7,821	-	-	-	-
Financial liabilities						
Derivative financial instruments						
- Cash flow hedges	-	54,843	-	-	107,041	-

	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Financial assets at fair value through other comprehensive revenue and expense				
- Equity investments				
Opening balance - 1 July	6,633	6,633	9,258	8,749
Purchases	-	-	-	25
Disposals	-	-	-	-
Impairment	-	-	-	-
Loss on investment	-	-	(2)	(296)
Gains or losses recognised in other comprehensive revenue and expense	-	-	866	780
Closing balance - 30 June	6,633	6,633	10,122	9,258

The level 3 equity investments comprise the Group's shareholdings in the Local Government Funding Agency \$7.865m (2020: \$6.938m), Civic Assurance \$0.507m (2020: \$0.490m), the Creative HQ shareholdings \$1.490m (2020: \$1.570m) and a legacy investment by Wellington Museum's Trust of \$0.260m (2020: \$0.260m). Refer to Note 14: Other financial assets (pg 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 (pg 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 *Table 76* below.

Table 76: Financial instruments with credit risk	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Cash and cash equivalents	84,349	98,577	103,542	113,285
Derivative financial instrument assets	7,821	-	7,821	-
Receivables and recoverables	61,056	95,467	62,319	96,888
Other financial assets				
- Bank deposits - term > 3 months	61,500	30,000	62,602	32,000
- LGFA borrower notes	14,902	10,152	14,902	10,152
- Loans to related parties - other organisations	892	39	892	39
- Loans to external organisations	-	-	15	15
Total financial instruments with credit risk	230,520	234,235	252,093	252,379

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 (pg 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 in *Table 77* below.

Table 77: Counterparties with credit ratings	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Cash - registered banks				
AA-	84,333	23,561	97,021	34,821
Short-term deposits (less than 3 months) - registered banks				
AA-	-	75,000	2,988	78,427
Term deposits (greater than 3 months) - registered banks				
AA-	39,000	15,000	43,602	17,000
A	22,500	15,000	22,500	15,000
Term deposits - borrower notes - NZ LGFA				
AA+	14,902	10,152	14,902	10,152

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 78 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 78: Contractual cash flows of financial liabilities excluding derivatives	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	247,233	259,165	250,195	262,453
1-2 years	153,422	92,374	153,422	92,394
2-5 years	291,207	279,342	291,930	279,342
More than 5 years	396,933	261,261	396,933	261,261
Total contractual cash flows of financial liabilities excluding derivatives	1,088,795	892,142	1,092,480	895,450
Represented by:				
Carrying amount as per the Statement of Financial Position	991,719	841,766	995,344	845,074
Future interest payable	97,076	50,376	97,136	50,376
Total contractual cash flows of financial liabilities excluding derivatives	1,088,795	892,142	1,092,480	895,450

The following maturity analysis in *Table 79*, 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.

Table 79: Contractual cash flows of derivative financial liabilities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Contractual cash flows of derivative financial liabilities				
0-12 months	14,192	15,253	14,192	15,253
1-2 years	11,521	15,477	11,521	15,477
2-5 years	21,519	40,262	21,519	40,262
More than 5 years	12,464	40,507	12,464	40,507
Total contractual cashflow of derivative financial liabilities	59,696	111,499	59,696	111,499
Represented by:				
Future interest payable	59,696	111,499	59,696	111,499
Total contractual cash flows of derivative financial liabilities	59,696	111,499	59,696	111,499

In addition to cash to be received in 2021/22 the Group currently has \$130.000m (2020: \$120.000m) in unutilised committed bank facilities available to settle obligations as well as \$162.460m (2020: \$210.173m) of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

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 (pg 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 80*.

Table 80: Liquidity funding risk limits			
Period	Minimum	Maximum	Actual
0 - 3 years	15%	60%	40%
3 - 5 years	15%	60%	21%
More than 5 years	15%	60%	39%

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 2021 is 73 percent.

Table 81 below shows the effect of the interest rate swaps at reducing the Council's and Group's exposure to interest rate risk:

Table 81: Interest rate volatility	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	84,349	98,577	103,542	113,285
Bank deposits - term greater than 3 months	61,500	30,000	62,602	32,000
Commercial paper	(68,000)	(68,000)	(68,000)	(68,000)
Debt securities - floating rate notes	(728,500)	(642,000)	(728,500)	(642,000)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(650,651)	(581,423)	(630,356)	(564,715)
Effect of interest rate swaps in reducing interest rate volatility				
Effect of Cash flow interest rate swaps - hedged	549,000	454,000	549,000	454,000
Total effect of interest rate swaps in reducing interest rate volatility	549,000	454,000	549,000	454,000
Total financial instruments subject to interest rate volatility - after effect of interest rate swaps	(101,651)	(127,423)	(81,356)	(110,715)

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 2021 the fair value of the interest rate swaps was -\$47.022m (2020: -\$107.041m). 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 82 as follows.

Table 82: Weighted effective interest rates	Council		Group	
	2021	2020	2021	2020
	%	%	%	%
Investments				
Cash and cash equivalents	0.25	0.41	0.25	0.38
Bank deposits - term	0.93	2.59	0.93	2.58
LGFA - borrower notes	0.63	0.95	0.63	0.95
Loans to related parties	-	-	-	-
Borrowings				
Bank loans	3.65	4.30	3.65	4.30
Commercial paper	0.36	0.49	0.36	0.49
Debt securities - fixed	2.02	3.01	2.02	3.01
Debt securities - floating	0.97	0.94	0.97	0.94
Derivative financial instruments - hedged	3.69	3.73	3.69	3.73

The original related party loan to the Wellington Regional Stadium Trust (WRST) for the Stadium construction and membership underwrite is on interest free terms.

The new loan facility to WRST for COVID-19 support and further upgrade of the Fran Wilde walkway will be at an interest rate of 3% p.a. but will only be applied two years after the initial drawdown in 2020/21.

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 83 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 83: Sensitivity to interest rate risk		Group			
		2021			
		\$000			
Interest rate risk	Note	+1%	-1%	+1%	-1%
		Effect on Surplus or Deficit		Effect on Other Comprehensive Revenue and Expense	
Financial assets					
Cash and cash equivalents	a	843	(843)	-	-
LGFA - borrower notes	b	149	(149)	-	-
Term deposits > 3 months	c	615	(615)	-	-
Derivatives - interest rate swaps - hedged	d	-	-	7,682	(8,794)
Financial liabilities					
Derivatives - interest rate swaps - hedged	d	-	-	34,038	(37,349)
Debt securities - floating rate notes	e	(3,305)	3,305	-	-
Bank loans	f	(72)	72	-	-
Commercial paper	g	(170)	170	-	-
Total sensitivity to interest rate risk		(1,940)	1,940	41,720	(46,143)

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 \$0.843m accordingly.

b. LGFA borrower notes

The Group holds \$14.902m 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 \$0.149m 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 \$0.615m accordingly.

d. Derivatives - hedged interest rate swaps

Derivatives include hedged interest rate swaps with a fair value totalling -\$47.022m. 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 \$41.720m. 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 \$46.143m.

e. Debt securities – floating rate notes

Debt securities at floating rates total \$728.500m. The full exposure to changes in interest rates has been reduced because the Group has \$398.000m 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 \$3.305m accordingly.

f. Bank Loans

The Group, through the Council's joint operations with Porirua City Council has a bank term loans of \$7.152m. This loan consists of various loans provided to the joint operations through Porirua City Council borrowing. A movement in interest rates of plus or minus 1 percent has an effect on the interest expense of \$0.072m accordingly.

g. 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 84: Capital commitments	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Approved and contracted - property, plant and equipment	259,227	350,332	259,232	350,337
Approved and contracted - investment properties	-	-	-	-
Approved and contracted - intangibles	-	-	-	-
Approved and contracted - share of associates	-	-	7	7
Approved and contracted - share of joint ventures	-	-	-	-
TOTAL CAPITAL COMMITMENTS	259,227	350,332	259,239	350,344

The capital commitments in Table 84 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 2020/21 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 value of minimum payments for non-cancellable operating leases is recognised as an expense in Note 7: Expenditure on operating activities (pg 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 85*.

Table 85: Non-cancellable operating lease commitments as lessee	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Plant and equipment				
Not later than one year	-	-	73	205
Later than one year and not later than five years	-	-	82	159
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	10,129	6,915	10,714	8,464
Later than one year and not later than five years	19,314	13,820	19,791	16,740
Later than five years	25,120	1,316	25,120	1,316
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	54,563	22,051	55,780	26,884

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 86*.

Table 86: Non-cancellable operating lease commitments as lessor	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Investment properties				
Not later than one year	8,655	9,164	8,655	9,164
Later than one year and not later than five years	29,404	29,862	29,404	29,862
Later than five years	52,720	44,046	52,720	44,046
Land and buildings				
Not later than one year	4,499	6,202	4,502	6,202
Later than one year and not later than five years	6,622	10,394	6,622	10,394
Later than five years	6,891	13,763	6,891	13,763
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	108,791	113,431	108,794	113,431

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

Note 34: Contingencies

Table 87: Contingent liabilities	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Uncalled capital - LGFA	1,866	1,866	1,866	1,866
Other legal proceedings	585	89	585	89
WIAL equity underwrite	25,760	25,760	27,760	25,760
WRST loan facility	1,200	-	1,200	-
WOW funding agreement	5,000	-	5,000	-
liabilities	-	-	-	-
Share of joint operations' contingent liabilities	-	-	-	-
TOTAL CONTINGENT LIABILITIES	34,411	27,715	36,411	27,715

NZ Local Government Funding Agency Limited (LGFA)

Council is one of 30 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. There are now 63 guarantor Councils in total. 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 2021, LGFA had borrowings totalling \$13,609m (2020: \$11,908m).

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 \$0.585m.

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 \$0.050m being the insurance excess payable, which is included in the total above.

COVID-19 support for related parties and other entities

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 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 \$4.200m 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. \$0.900m was drawn down from Council during the period ending 30 June 2021.

World of Wearable Art (WOW)

As a result of the COVID-19 pandemic, on 4 February 2021 the Council agreed to and subsequently entered into a funding agreement with WOW to provide access to

financial relief should their 2021 World of WearableArt Awards Show be disrupted due to the COVID-19 pandemic and any related NZ Government restrictions, up to a maximum of \$5.000m. This funding agreement allowed the board to continue with their planning and investment in the 2021 WOW Awards Show. At 30 June 2021 this funding agreement had not been called on. However, following the re-emergence of COVID-19 in the community on 17 August 2021 the Government announced that all New Zealand would be moving to alert level 4. The 2021 WOW Awards Show, which was set to run from 30 September to 17 October 2021, was initially postponed on 30 August 2021 and then a decision was made to cancel it on 9 September 2021. The amount that the Council is required to pay under the terms of the funding agreement is still being finalised.

Unquantified contingent liabilities

Holiday Pay remediation

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 ("the Act"). During 2019/20, Council completed its own review of payroll processes which identified instances of non-compliance with the Act. This review resulted in Council establishing a project team to further look at system configuration and business processes to better understand the areas of non-compliance with the Act, this work has continued into 2020/21. This is a significant undertaking and due to this Council has decided that the project will be split into two phases; phase one is the rectification of known system configuration and business process issues while phase two will be the remediation. Council is partway through phase one of the project with a completion date estimated to be early 2022.

Following this, Council will commence phase two of the project. The outcome of this phase cannot be determined at this time given the current level of reliability of this information. Due to this we are unable to quantify our liability at 30 June 2021. Council acknowledges that the potential liability could be significant as the issue affects current and past employees and covers a period going back six years plus one from October 2020.

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.

Contingent assets

The Council and Group have no contingent assets as at 30 June 2021, (2020: \$Nil).

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. These are domiciled and operate in New Zealand. Porirua City Council operates two of the joint operations under an agreement which provides that all assets of the joint operation are owned by the two councils as tenants in common. The remaining joint operations are part of Let's Get Wellington Moving (LGWM) which is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi NZ Transport Agency.

Table 88: Joint Operations	Interest 2021	Interest 2020	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.
LGWM Projects <ul style="list-style-type: none"> - State Highway improvement - Mass Rapid Transport - City Streets - Early Delivery - Travel Demand Management 	20.00%	20.00%	Joint initiative to develop a transport system that supports future aspirations for the look, feel, and function of Wellington City. These will support Wellington's growth while making it safer and easier to get around.

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 (2020: \$Nil) and contingent liabilities is \$Nil (2020: \$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 89* below.

Table 89: Remuneration paid to key management personnel	Council	
	2021	2020
	\$	\$
Council Members		
Remuneration	1,846,046	1,789,623
Chief Executive and Executive Leadership Team		
Remuneration	2,601,008	2,681,193
TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	4,447,054	4,470,816

As at 30 June 2021 key management personnel comprised of 23 individuals: 15 elected members or 15 fulltime equivalents (2020: 15) and 8 executive leaders or 8 fulltime equivalents (2020: 8). There was no increase in the number of executive leadership roles over the period to 30 June 2021.

During the year period we continued the recruitment into vacant Executive Leadership roles which had carried over from the prior financial year and made appointments into these roles. During this period of recruitment, we had a number of senior managers acting in executive leadership roles to provide cover.

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% salary

sacrifice, this covered the period of 1 July to 31 December 2020 of this financial year. For further disclosure of the remuneration payable to the Mayor, Councillors and the Chief Executive refer to Note 37: Remuneration and staffing (pg 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.

A related party of an Executive Leadership Team member provided training services, through a company, to Council during the year. These services valued at \$12,153 were procured as arm's length transactions 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 2021 Council drew down new borrowings of \$249.500m and repaid \$93.000m. Interest expense was paid quarterly in arrears on all borrowings and interest revenue of \$0.130m was received on \$1.488m of borrower notes on maturity. Council borrowings from the LGFA are comprised of \$100m of Fixed Rates Bonds and \$691m of Floating Rate Notes.

Council holds \$14.902m of investment borrower notes and during the year Council received a shareholder dividend of \$0.066m.

Wellington International Airport Limited

COVID-19: Support for an underwrite of additional equity, if required. For more information refer to Note 34: Contingencies (pg XX).

Material related party transactions – unstructured entities

Financial information relating to the Council's interests in unstructured entities is provided in *Tables 90 and 91* 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 2021 Council contributed \$0.695m (2020: \$0.680m) to fund the core operations of the Trust.

Table 90: Basin Reserve Trust	2021	2020
	\$000	\$000
Summarised financial information of unstructured entity		
Total assets	856	777
Total liabilities	(199)	(194)
Net assets	657	583
Revenue	1,212	1,605
Expenses	(1,138)	(1,599)
Surplus / (deficit)	74	6

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 2021 Council transacted directly with WRST to the amount of \$2.954mm (2020: \$0.373m) as part of the original \$5.000m funding grant recognised in 2016/17 for the upgrade of the concourse. This grant is now fully paid.

In addition, WRST made an initial drawdown on the new joint loan facility (WCC and GWRC) for the amount of \$0.900m. This loan facility was made available for COVID-19 impact support and additional concourse works. A further \$1.200m remains undrawn from Council for this facility. Refer to Note 14: Other Financial assets (page XX), for more information on this loan.

Table 91: Wellington Regional Stadium Trust	2021	2020
	\$000	\$000
Summarised financial information of unstructured entity		
Total assets	98,527	96,032
Total liabilities	(48,503)	(6,874)
Net assets	50,024	89,158
Revenue	14,485	11,262
Expenses	(13,224)	(13,333)
Surplus / (deficit)	1,261	(2,071)

Intra group transactions and balances – Joint Operations

During the year the Council has entered into transactions with its joint operations partners Porirua City Council and Let's Get Wellington Moving. 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 92*.

Table 92: Intra group transactions and balances - Joint operations		2021	2020
		\$000	\$000
Share of jointly incurred expenditure			
	Porirua - waste water treatment plant	2,254	1,850
	Let's Get Wellington Moving	5,199	2,430
		7,453	4,280
Current receivables and recoverables owing to the Council from:			
	Let's Get Wellington Moving	897	769

Intra group transactions and balances – Controlled entities

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 93*.

Table 93: Intra group transactions and balances - Controlled entities		2021	2020
		\$000	\$000
Revenue received by Council for services provided to:			
	Karori Sanctuary Trust	31	36
	Wellington Cable Car Limited	53	173
	Wellington Museums Trust	1,444	1,442
	Wellington Regional Economic Development Agency	110	27
	Wellington Zoo Trust	611	342
		2,249	2,020
Grant funding paid by Council for the operations and management of:			
	Karori Sanctuary Trust	1,487	1,032
	Wellington Museums Trust	9,963	9,300
	Wellington Regional Economic Development Agency	11,463	12,610
	Wellington Zoo Trust	3,508	3,406
		26,421	26,348
Funding paid by Council for COVID-19 support of:			
	Karori Sanctuary Trust	-	230
	Wellington Cable Car Limited	1,587	-
	Wellington Museums Trust	731	-
	Wellington Zoo Trust	-	274
		2,318	504
Expenditure payments made by Council for services provided by:			
	Karori Sanctuary Trust	10	23
	Wellington Cable Car Limited	3	-
	Wellington Museums Trust	771	264
	Wellington Regional Economic Development Agency	3,942	5,086
	Wellington Zoo Trust	1,777	1,244
		6,503	6,617
Current receivables and recoverables owing to the Council from:			
	Karori Sanctuary Trust	4	7
	Wellington Cable Car Limited	-	52
	Wellington Museums Trust	175	156
	Wellington Regional Economic Development Agency	61	-
	Wellington Zoo Trust	554	179
		794	394
Current payables owed by the Council to:			
	Wellington Cable Car Limited	1,212	-
	Wellington Museums Trust	544	5
	Wellington Regional Economic Development Agency	12	75
	Wellington Zoo Trust	1	229
		1,769	309

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 were \$35.242m (2020: \$33.469m) when the grant funding of \$26.421m (2020: \$26.348m), COVID-19 Support of \$2.318m (2020: \$0.504m) and expenditure for services provided to Council of \$6.503m (2020: \$6.617m) are combined.

Intra group transactions and balances – Associates and Joint Venture

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 94*.

Table 94: Intra group transactions and balances - Associates and joint venture		2021	2020
		\$000	\$000
Dividend received from:			
Wellington International Airport Limited		-	12,061
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		56	92
Wellington Water Limited		702	1,205
		758	1,297
Expenditure payments made by Council for services provided by:			
Wellington International Airport Limited		64	47
Wellington Water Limited		97,774	93,307
		97,838	93,354
Current receivables and recoverables owing to the Council from:			
Wellington International Airport Limited		-	26
Wellington Water Limited		26	333
		26	359
Current payables owed by the Council to:			
Wellington Water Limited		14,397	6,945

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 2020 to 30 June 2021 was \$1,846,046 (2020: \$1,789,623) and is broken down and classified as follows in Table 95.

Table 95: Elected Council member remuneration	Monetary Remuneration				Non-monetary Remuneration	Total 2021			
	Remuneration Authority Determination 2020	Remuneration Authority Temporary Covid-19 Determination 2020	Total Salary	Allowances					
	183 days	182 days	365 days						
	\$	\$	\$	\$					
	Foster, Andy (Mayor)*	90,497	86,749	177,246			250	5,989	183,485
	Calvert, Diane*	55,765	53,737	109,502			250	5,989	115,741
Condie, Jenny*	55,765	53,136	108,901	250	5,989	115,140			
Free, Sarah*	65,291	63,328	128,619	250	5,989	134,858			
Sparrow, Malcolm*	55,765	53,689	109,454	250	5,989	115,693			
Wolf, Simon*	55,765	52,687	108,452	250	5,989	114,691			
Day, Jill			120,227	250	5,989	126,466			
Fitzsimons, Fleur			111,225	250	5,989	117,464			
Foon, Laurie			111,225	250	5,989	117,464			
Matthews, Rebecca			111,225	250	5,989	117,464			
O'Neill, Teri			111,225	250	5,989	117,464			
Pannett, Iona			111,225	250	5,989	117,464			
Paul, Tamatha			111,225	510	5,989	117,724			
Rush, Sean			111,225	250	5,989	117,464			
Young, Nicola			111,225	250	5,989	117,464			
TOTAL REMUNERATION PAID TO COUNCIL MEMBERS			1,752,201	4,010	89,835	1,846,046			
			Total monetary remuneration			1,756,211			
			Total non- monetary remuneration			89,835			

In April 2021 Councillors took a voluntary pay cut of 10% due to COVID-19. At the time there was no legal way for elected members to take reduced pay directly and so they donated this 10% to charitable organisations in Wellington. The Government subsequently introduced a mechanism for elected members to take a direct pay cut

and the Mayor and five Councillors used this mechanism (*as represented above). The other Councillors continued to make charitable donations of 10% of their pay.

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 2020/21 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Mayoral car

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 on-site 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.

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 96*.

Table 96: Community Board Member remuneration	Salary	Allowances	Other	Total
				2021
	\$	\$	\$	\$
TAWA COMMUNITY BOARD				
Parkinson, Robyn (Chair)	18,810	540	-	19,350
Alexander, Malcolm (elected from 13 May 2021)	1,263	-	-	1,263
Herbert, Richard (Deputy Chair)	9,405	-	-	9,405
Hansen, Graeme	9,405	-	-	9,405
Knight, Steph (resigned from 1 March 2021)	6,287	-	-	6,287
Lacy, Jackson (includes Youth Council attendance fee)	9,405	-	450	9,855
Scott, Anna	9,405	-	-	9,405
Day, Jill (see Councillor remuneration above)	-	-	-	-
Sparrow, Malcolm (see Councillor remuneration above)	-	-	-	-
MAKARA-OHARIU COMMUNITY BOARD				
Apanowicz, John (Chair)	9,429	540	-	9,969
Grace, Christine (Deputy Chair)	4,716	-	-	4,716
Hoskins, Darren	4,716	-	-	4,716
Renner, Chris	4,716	-	-	4,716
Rudd, Wayne	4,716	-	-	4,716
Todd, Hamish	4,716	-	-	4,716
TOTAL REMUNERATION TO COMMUNITY BOARD MEMBERS	96,989	1,080	450	98,519

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 97 below, shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2021.

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 total remuneration package for the Chief Executive is \$436,664 (2020: \$436,664).

Note that during the period of 1 July to 31 December 2020 the Chief Executive, along with the member of the Executive Leadership team took a 10% voluntary salary sacrifice, as a COVID-19 response, which meant her actual remuneration for the year ending 30 June 2021 was \$414,651

Table 97: Remuneration of the Chief Executive	Council	
	2021	2020
	\$	\$
Barbara McKerrow		
Salary (reflecting 10% salary sacrifice to 31 December 2020)	414,651	134,578
Kevin Lavery (to 31 March 2020)		
Salary	-	326,197
Motor vehicle park	-	1,759
TOTAL REMUNERATION OF THE CHIEF EXECUTIVE	414,651	462,534

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 2021 the Council made severance payments to 11 employees totalling \$203,351 (2020: 13 employees, \$405,662).

The individual values of each of these severance payments are: \$22,055; \$28,207; \$6,418; \$26,527; \$29,454; \$7,965; \$8,125; \$27,417; \$25,932; \$3,589; \$17,662.

Employee numbers and remuneration bands

Table 98 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.

Table 98: Employee numbers	Council	
	2021	2020
Full-time and full-time equivalent employee numbers		
Full-time employees (based on a 40 hour week) as at 30 June	1,156	1,128
Full-time equivalents for all other non full-time employees	278	263

Table 99 further identifies the breakdown of remuneration levels of those employees into various bands.

Table 99: Remuneration bands	Council 2021
The number of employees receiving total annual remuneration of less than \$60,000 Of the 965 (2020: 991) employees in this band, 629 (2020: 640) are part-time or casual	965
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000	
\$60,000 - \$79,999.99	283
\$80,000 - \$99,999.99	248
\$100,000 - \$119,999.99	160
\$120,000 - \$139,999.99	84
\$140,000 - \$159,999.99	30
\$160,000 - \$179,999.99	25
\$180,000 - \$199,999.99	15
\$200,000 - \$219,999.99	8
\$220,000 - \$259,999.99*	7
\$280,000 - \$339,999.99*	7
\$440,000 - \$459,999.99*	1
TOTAL EMPLOYEES	1,833

Of the 1833 (2020: 1,815) individual employees, 677 (2020: 687) work part-time or casually.

Table 100: Remuneration bands	Council 2020
The number of employees receiving total annual remuneration of less than \$60,000 Of the 991 (2019:1050) employees in this band, 640 (2019: 678) are part-time or casual	991
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

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 as shown in *Table 101*.

Table 101: Lowest remuneration grades	Salary Range (\$)	2021
Q (Living Wage)	46,094	311
9	46,905 - 59,160	442
Table 102: Lowest remuneration grades	Salary Range (\$)	2020
Q (Living Wage)	44,113	344
9	44,134 - 57,602	412

The current living wage rate for Council was \$22.10 per hour for the period to 30 June 2021. 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

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Maori as the Crown's Treaty Partner.

If the reform programme proceeds, it proposes to transfer the three-water delivery from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government announced the proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. Council would belong to WSE 'C', along with 22 other Councils. The WSE would be independent with a separate Board of Directors and participating Councils would have no shareholding and no financial interest. At the date of this annual report being approved for issue there is still considerable uncertainty in respect of the extent of the likely outcomes and potential impacts on Council, including whether the reforms will proceed as currently proposed. Council has not yet decided to opt into the water reform programme.

COVID-19

The financial impact of COVID-19 to Council in 2020/21 is outlined in the separate disclosure on page XX. During the financial year the impact was largely limited to Venues, and Council Controlled entities, with all other Council services able to operate relatively normally. Following the re-emergence of COVID-19 in the community on 17 August 2021 New Zealand moved to alert level 4. The Wellington region subsequently moved to alert level 3 on 1 September 2021. At alert levels 3 and 4 the Council is unable

to operate many of its community facilities such as gyms, swimming pools, libraries, recreation centres, parks, playgrounds and sports fields. There is expected to be an impact on revenue during the 2021/22 financial year. A decision was made to extend the due date of the rates quarter 1 instalment from 1 September 2021 to 1 October 2021 to allow people more time to pay if required.

World of WearableArt (WOW)

On 4 February 2021, the Council agreed to and subsequently entered into a funding agreement with WOW to provide access to financial relief should their 2021 World of WearableArt Awards Show be disrupted due to the COVID-19 pandemic and any related NZ Government restrictions, up to a maximum of \$5.000m. The 2021 WOW Awards Show was cancelled on 9 September 2021 triggering a payment under this funding agreement. The amount that the Council is required to pay is still being finalised.

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 ended 30 June 2021

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

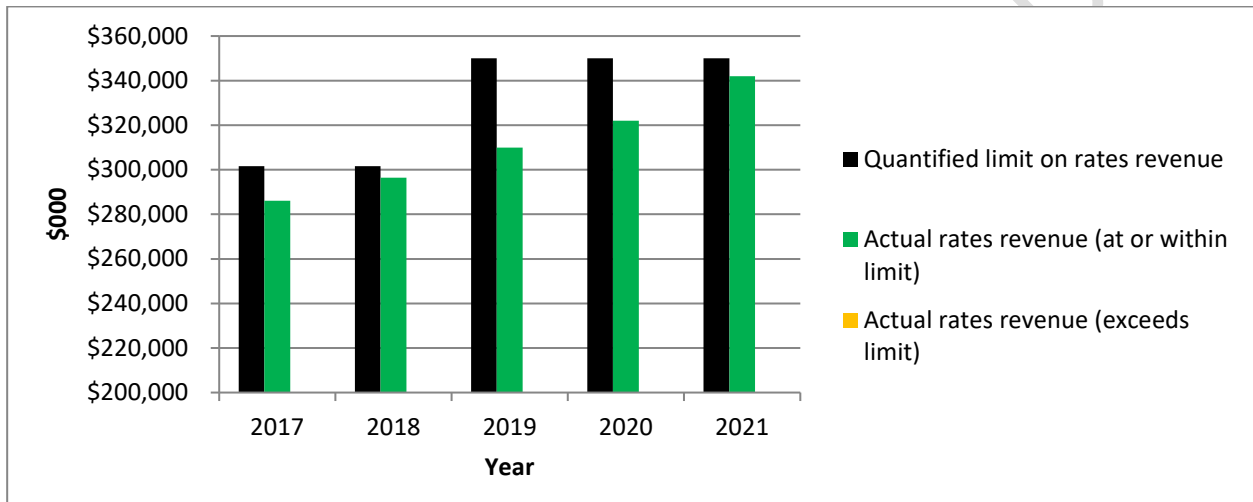
Rates affordability benchmark

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

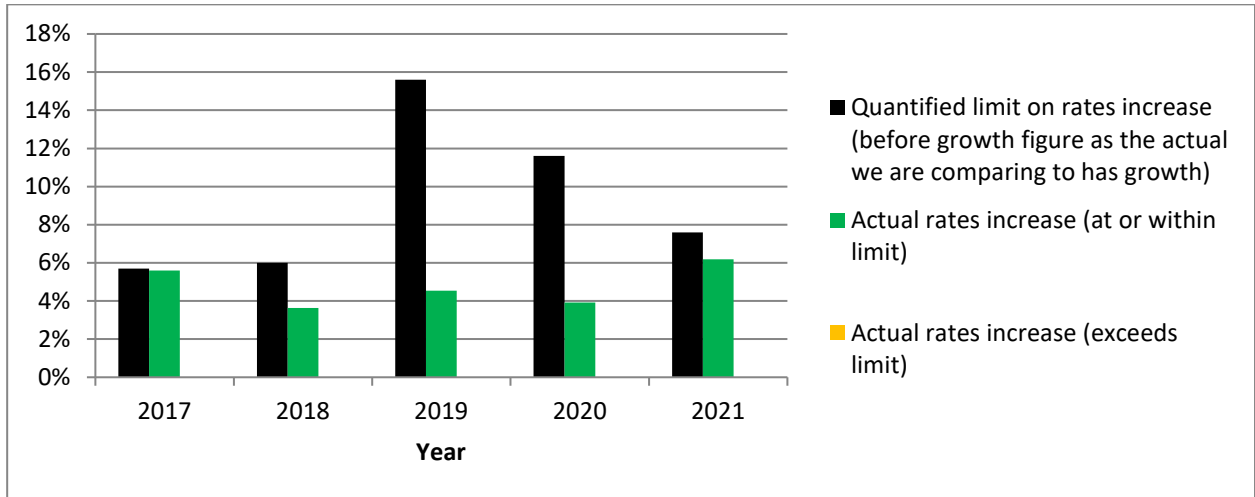
The following graph compares the council's actual rates revenue with a quantified dollar limit on rates revenue included in the financial strategy included in the council's long-term plan. The quantified limit for the first three years of the 2018-28 LTP, which encompasses the financial years 2018/19; 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 2020/21 is 7.6 percent although the actual rates increase set for the 2020/21 year was 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.

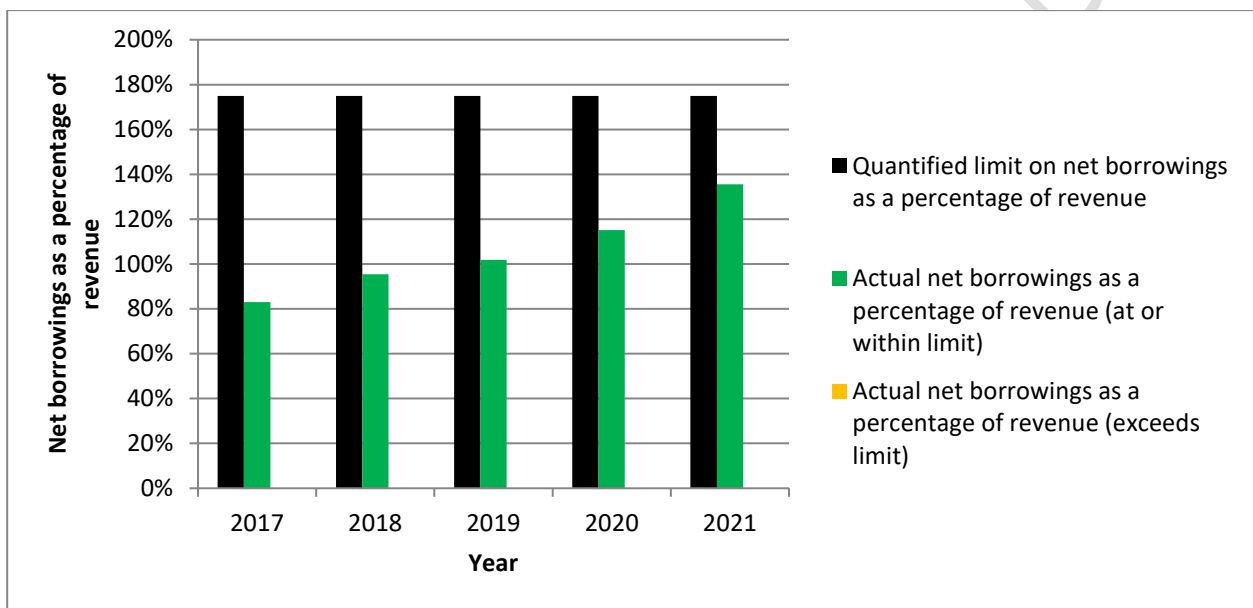


Debt affordability benchmark

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 revenue²

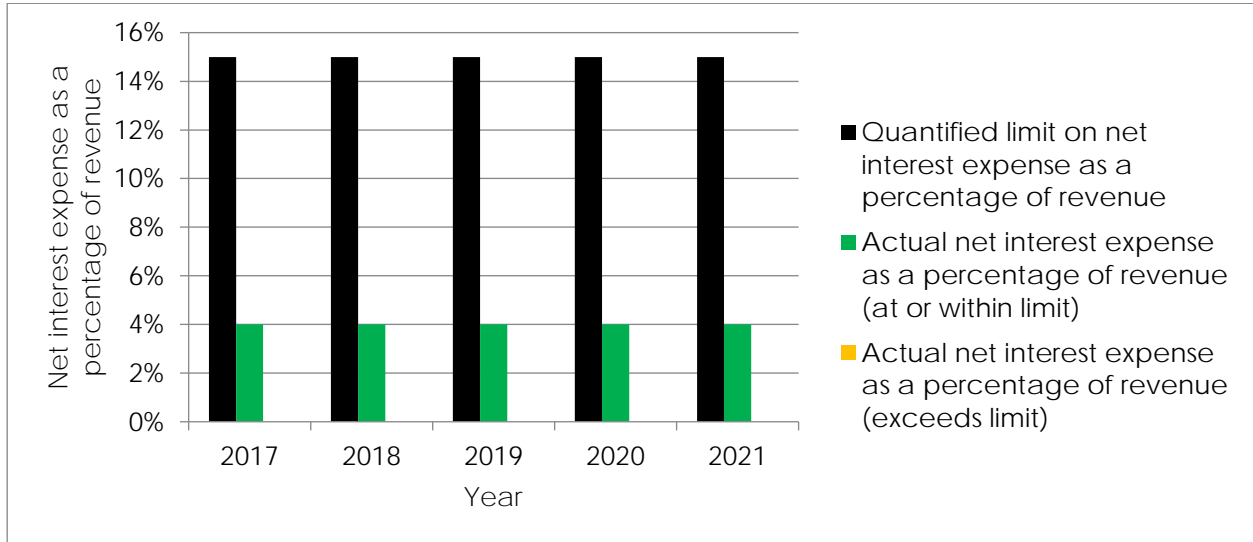
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 175 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



² 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 revenue³

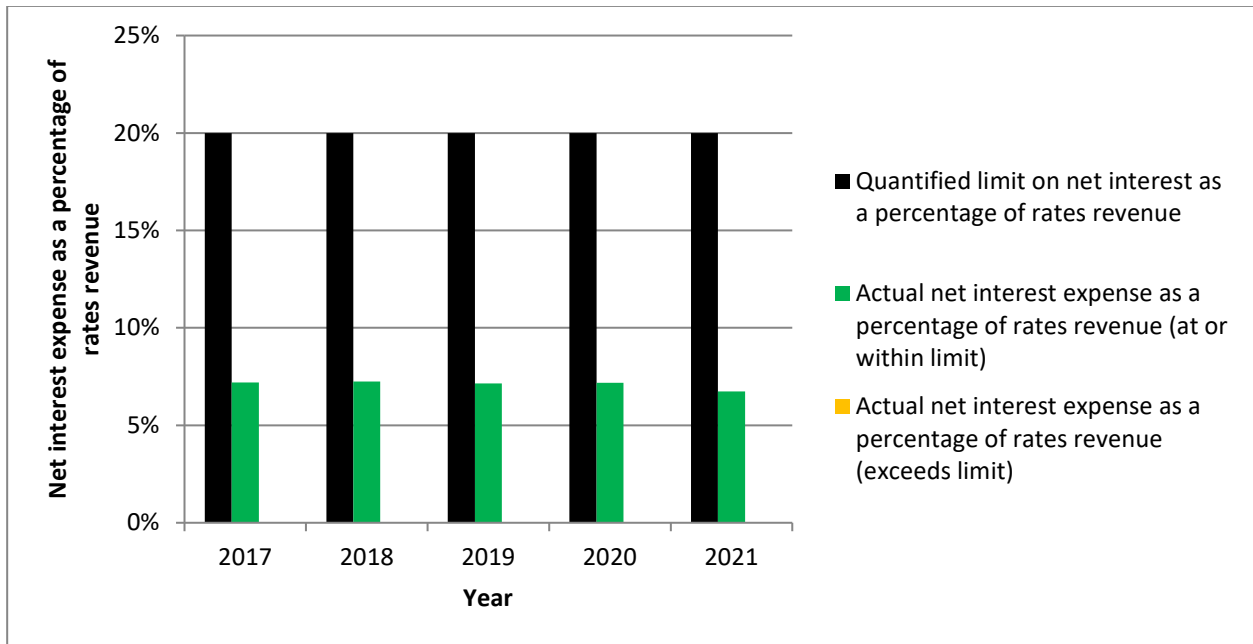
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 15 percent of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



³ 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.

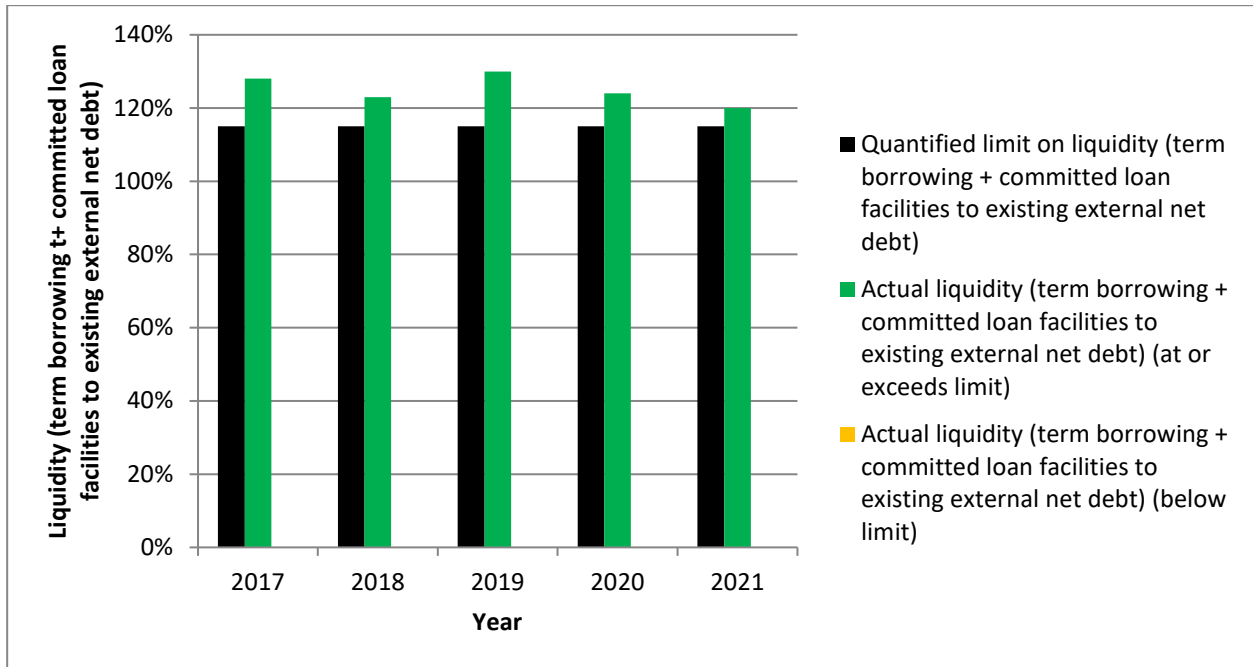
Net interest as a percentage of annual rates revenue

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.

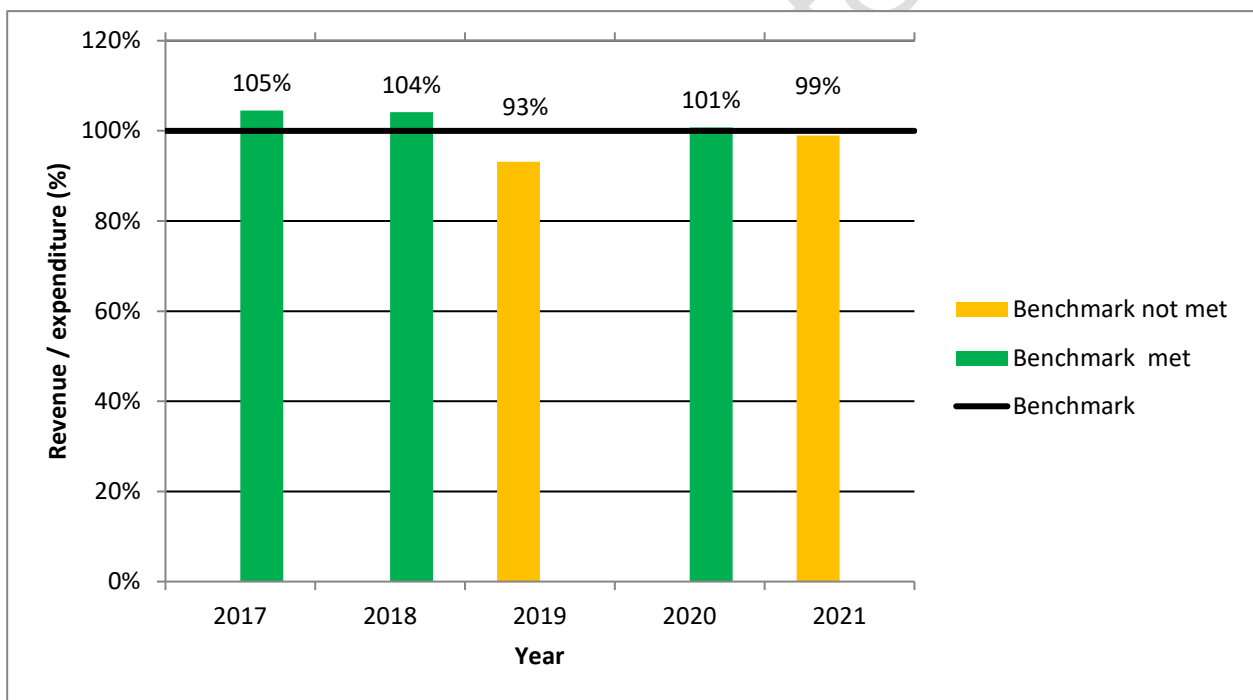


Balanced budget benchmark

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.

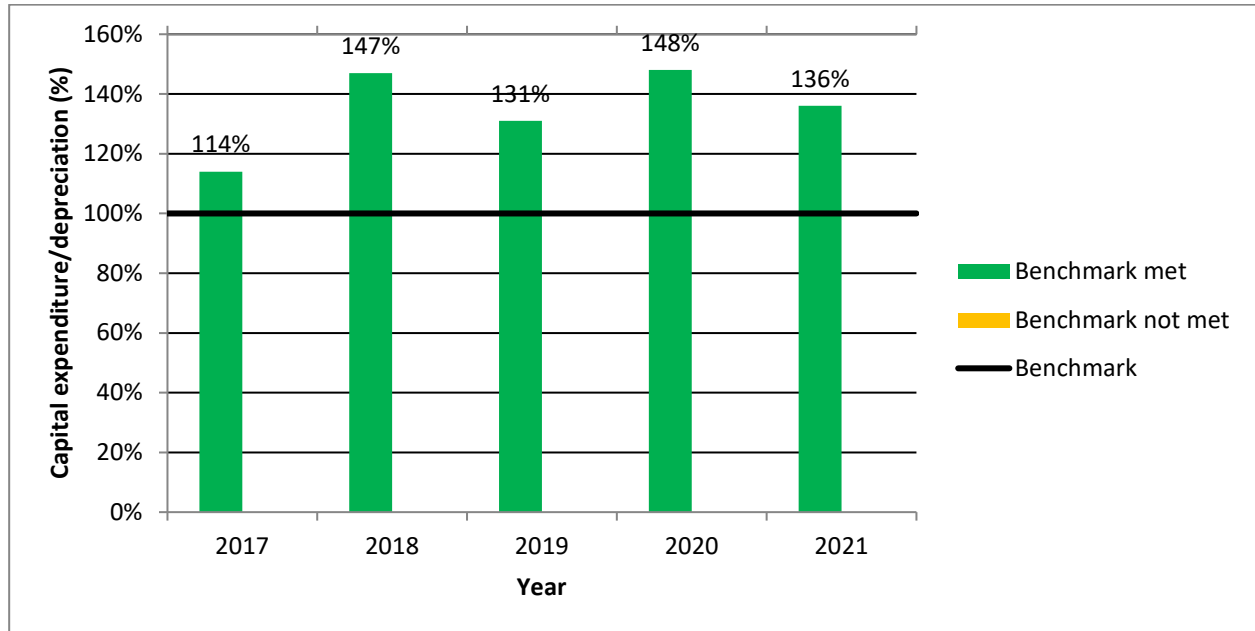
For the purposes of this benchmark, impairments, which represent a non-cash movement in the valuation of assets, were included in the calculation. These unbudgeted impairments represent asset valuation movements relating to Civic Precinct buildings as disclosed in the financial statements. For 2017, 2019, 2020 and 2021 impairments of \$11.446m, \$50.603m, \$10.183m and \$1.848m were included in the calculation. If these were excluded, the benchmarks for these four years would be 107%, 102%, 103% and 99% respectively.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

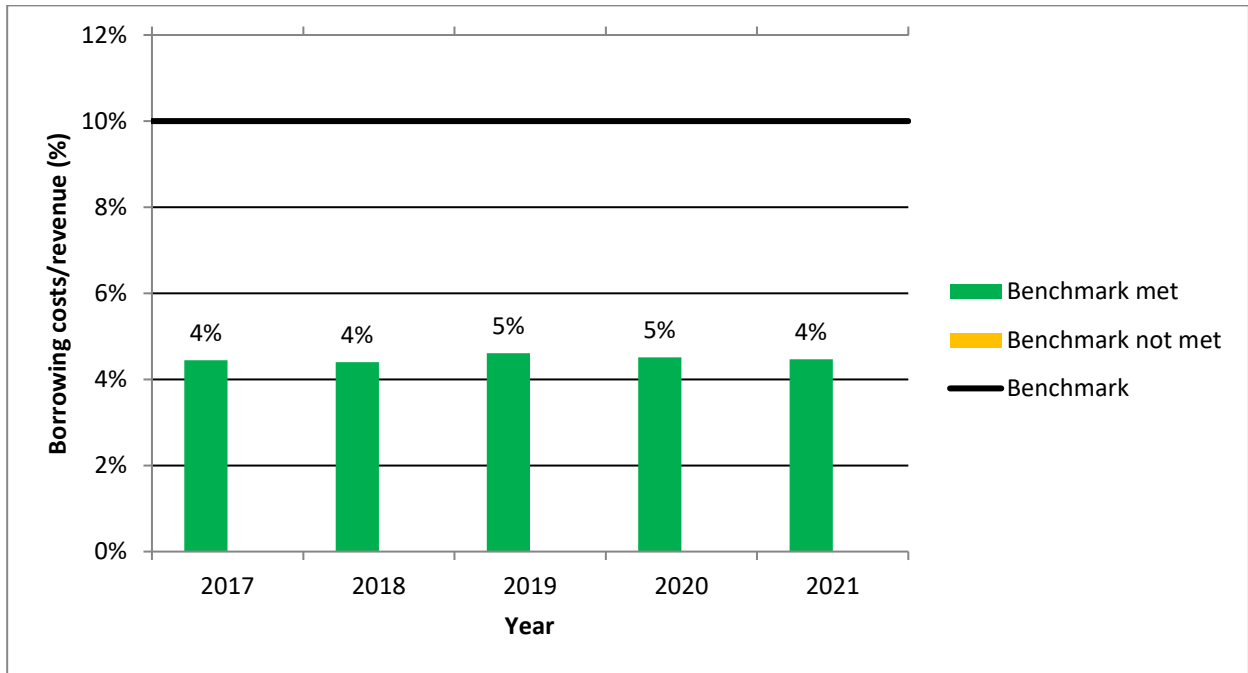
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



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.

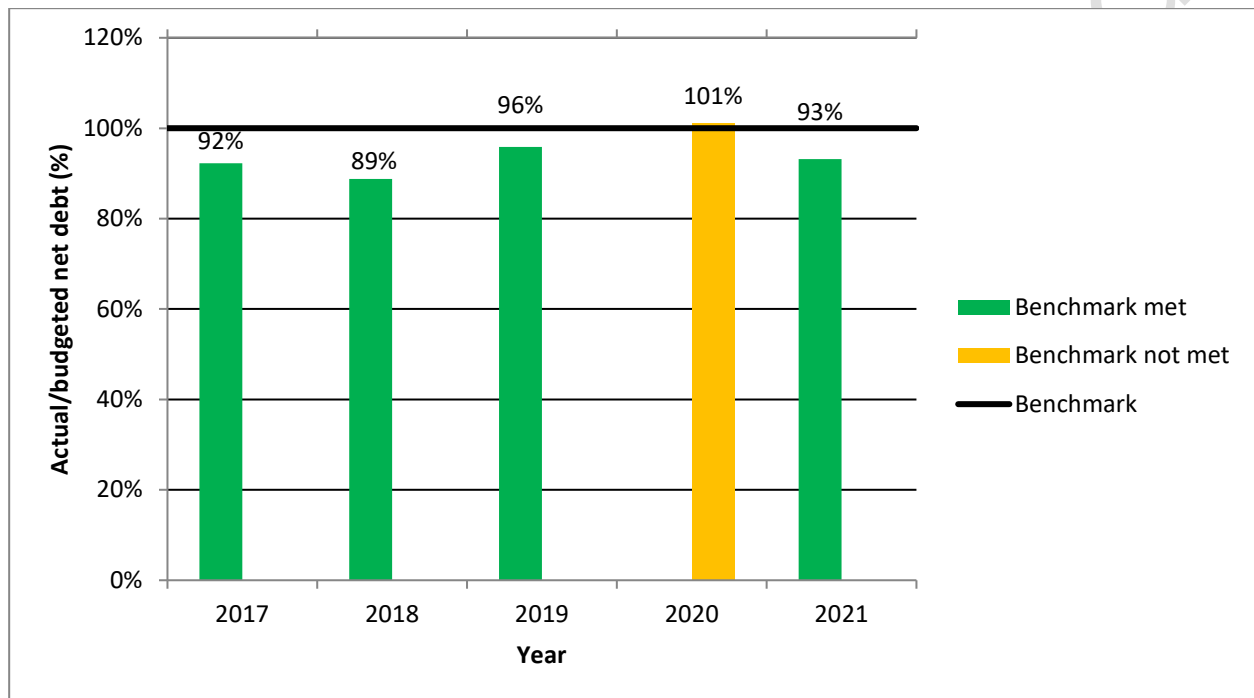


Debt control benchmark

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.

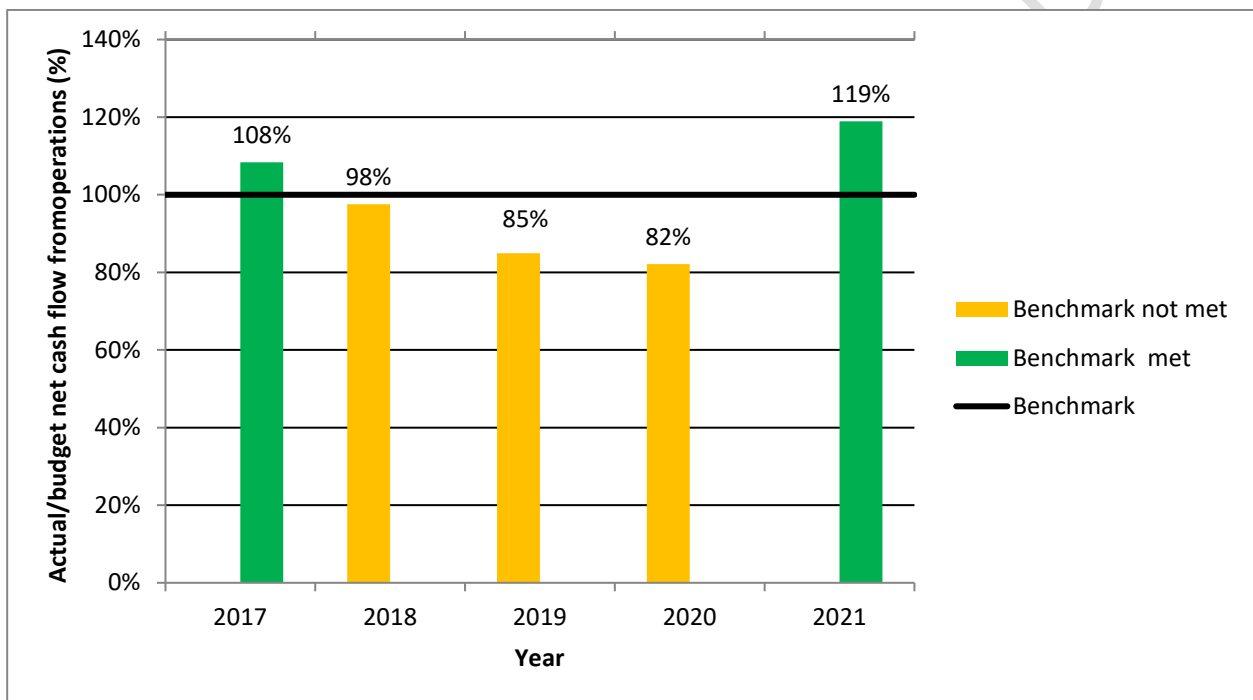


Operations control benchmark

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 ended 30 June 2021

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 pg XX

Funding impact statement for 1 July 2020 to 30 June 2021 for Whole of Council					
	2019/20	2019/20	2020/21	2020/21	2020/21
	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	185,248	185,379	200,332	196,248	195,122
Targeted rates	139,499	136,642	147,291	147,738	146,792
Subsidies and grants for operating purposes	6,682	8,034	6,712	8,972	13,003
Fees and charges	149,063	165,001	151,822	147,779	134,467
Interest and Dividends from investments	14,659	14,399	14,921	921	2,156
Local authorities fuel tax, fines, infringement fees, and other receipts	8,774	7,770	8,748	8,347	8,973
Total operating funding (A)	503,925	517,225	529,826	510,004	500,513
Applications of operating funding					
Payments to staff and suppliers	334,718	345,533	341,516	376,461	346,809
Finance costs	30,902	26,234	38,175	25,718	25,164
Internal charges and overheads applied	41,084	31,447	42,099	48,490	32,832
Internal charges and overheads recovered	(41,084)	(31,447)	(42,099)	(48,490)	(32,832)
Other operating funding applications	43,068	48,058	45,692	53,671	48,307
Total applications of operating funding (B)	408,688	419,825	425,383	455,850	420,280
Surplus (deficit) of operating funding (A - B)	95,237	97,399	104,443	54,153	80,233
Sources of capital funding					
Subsidies and grants for capital expenditure	23,700	27,349	20,136	26,112	31,793
Development and financial contributions	2,000	3,567	2,000	2,000	3,689
Increase (decrease) in debt	106,552	96,420	133,196	233,417	122,133
Gross proceeds from sales of assets	12,000	18,786	9,500	2,000	2,772
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	144,252	146,123	164,832	263,529	160,387
Applications of capital funding					
Capital expenditure					
- to meet additional demand	261	5,008	2,044	7,641	1,343
- to improve the level of service	117,486	83,477	150,473	161,666	153,998
- to replace existing assets	112,156	124,623	109,331	129,823	111,412
Increase (decrease) in reserves	9,586	30,414	7,427	18,551	(26,133)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	239,489	243,522	269,275	317,682	240,620
Surplus (deficit) of capital funding (C - D)	(95,237)	(97,399)	(104,443)	(54,153)	(80,233)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following					
depreciation/amortisation charge	121,962	117,270	133,748	137,869	135,722

Funding impact statement for 1 July 2020 to 30 June 2021 for Governance, information and engagement					
1.1	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	17,751	18,690	17,684	19,225	19,225
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	924	766	555	516	487
Internal charges and overheads recovered	-	44	-	-	14
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	18,675	19,500	18,239	19,741	19,726
Applications of operating funding					
Payments to staff and suppliers	11,483	11,263	10,842	11,820	10,303
Finance costs	19	15	24	15	15
Internal charges and overheads applied	7,143	8,141	7,348	7,961	8,893
Other operating funding applications	10	76	10	5,010	2,451
Total applications of operating funding (B)	18,655	19,495	18,224	24,806	21,662
Surplus (deficit) of operating funding (A - B)	20	5	15	(5,065)	(1,936)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	13
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	103	31	(15)	5,065	5,064
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	103	31	(15)	5,065	5,077
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	123	48	-	-	-
Increase (decrease) in reserves	-	(12)	-	-	3,141
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	123	36	-	-	3,141
Surplus (deficit) of capital funding (C - D)	(20)	(5)	(15)	5,065	1,936
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following					
depreciation/amortisation charge	20	17	15	25	14

Funding impact statement for 1 July 2020 to 30 June 2021 for Maori and Mana Whenua partnerships					
1.2	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	314	316	320	317	317
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	10
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	314	316	320	317	327
Applications of operating funding					
Payments to staff and suppliers	283	278	288	296	304
Finance costs	1	1	1	1	1
Internal charges and overheads applied	16	25	16	16	7
Other operating funding applications	10	-	10	-	-
Total applications of operating funding (B)	310	304	315	313	312
Surplus (deficit) of operating funding (A - B)	4	12	5	4	15
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(4)	(3)	(5)	(4)	(3)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(4)	(3)	(5)	(4)	(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	-	9	-	-	12
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	-	9	-	-	12
Surplus (deficit) of capital funding (C - D)	(4)	(12)	(5)	(4)	(15)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	4	3	5	4	3

Funding impact statement for 1 July 2020 to 30 June 2021 for Gardens, beaches and green open spaces					
2.1	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	40,308	40,551	42,443	44,073	44,073
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	969	1,153	952	1,180	1,420
Fees and charges	2,119	1,852	2,030	1,427	1,715
Internal charges and overheads recovered	6,022	4,286	6,185	6,297	4,435
Local authorities fuel tax, fines, infringement fees, and other receipts	-	7	-	-	1
Total operating funding (A)	49,418	47,849	51,610	52,977	51,644
Applications of operating funding					
Payments to staff and suppliers	24,049	22,363	24,718	26,463	23,328
Finance costs	3,446	2,013	4,072	2,082	2,032
Internal charges and overheads applied	14,851	13,551	15,175	16,091	14,079
Other operating funding applications	166	186	166	147	167
Total applications of operating funding (B)	42,512	38,113	44,131	44,783	39,606
Surplus (deficit) of operating funding (A - B)	6,906	9,736	7,479	8,194	12,038
Sources of capital funding					
Subsidies and grants for capital expenditure	-	443	-	-	110
Development and financial contributions	183	519	183	183	635
Increase (decrease) in debt	(1,081)	(400)	(527)	(2,037)	13
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(898)	562	(344)	(1,854)	758
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	2,029	-	-
- to improve the level of service	3,042	2,175	2,417	3,036	3,488
- to replace existing assets	2,966	3,167	2,689	3,302	2,357
Increase (decrease) in reserves	-	4,956	-	2	6,951
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	6,008	10,298	7,135	6,340	12,796
Surplus (deficit) of capital funding (C - D)	(6,906)	(9,736)	(7,479)	(8,194)	(12,038)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following					
depreciation/amortisation charge	6,906	8,097	7,479	8,913	8,853

Funding impact statement for 1 July 2020 to 30 June 2021 for Waste reduction and energy conservation					
2.2	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	727	718	771	1,228	1,228
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	16,500	20,105	16,965	21,053	22,899
Internal charges and overheads recovered	-	334	-	501	315
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	17,227	21,157	17,736	22,782	24,442
Applications of operating funding					
Payments to staff and suppliers	14,669	17,509	14,936	18,011	18,399
Finance costs	773	1,235	808	765	405
Internal charges and overheads applied	1,019	692	1,052	3,235	2,840
Other operating funding applications	180	276	120	210	65
Total applications of operating funding (B)	16,641	19,712	16,916	22,221	21,709
Surplus (deficit) of operating funding (A - B)	586	1,445	820	561	2,733
Sources of capital funding					
Subsidies and grants for capital expenditure	-	176	-	-	8
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	7,763	(27)	5,097	6,203	6,257
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	7,763	149	5,097	6,203	6,265
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	8,349	2,059	5,917	6,764	8,979
Increase (decrease) in reserves	-	(466)	-	-	19
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	8,349	1,593	5,917	6,764	8,998
Surplus (deficit) of capital funding (C - D)	(586)	(1,445)	(820)	(561)	(2,733)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following					
depreciation/amortisation charge	586	890	820	501	932

Funding impact statement for 1 July 2020 to 30 June 2021 for Water					
2.3	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	46,941	47,027	51,090	53,247	53,247
Subsidies and grants for operating purposes	-	-	-	-	1,969
Fees and charges	38	70	39	39	173
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	46,979	47,097	51,129	53,286	55,389
Applications of operating funding					
Payments to staff and suppliers	27,473	28,582	29,167	29,475	30,592
Finance costs	2,946	2,275	3,617	2,383	2,300
Internal charges and overheads applied	1,980	2,909	2,030	2,510	2,262
Other operating funding applications	-	1	-	-	-
Total applications of operating funding (B)	32,399	33,767	34,814	34,368	35,154
Surplus (deficit) of operating funding (A - B)	14,580	13,330	16,315	18,918	20,235
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	671	714	671	671	822
Increase (decrease) in debt	8,696	6,859	17,627	6,985	9,434
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	9,367	7,573	18,298	7,656	10,256
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	17,216	13,812	27,645	19,649	19,221
- to replace existing assets	6,731	8,608	6,968	6,926	8,774
Increase (decrease) in reserves	-	(1,517)	-	(1)	2,496
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	23,947	20,903	34,613	26,574	30,491
Surplus (deficit) of capital funding (C - D)	(14,580)	(13,330)	(16,315)	(18,918)	(20,235)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	14,580	14,847	16,315	19,842	18,663

Funding impact statement for 1 July 2020 to 30 June 2021 for Wastewater					
2.4	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	45,194	44,337	47,081	47,481	47,481
Subsidies and grants for operating purposes	-	-	-	-	1,942
Fees and charges	1,267	1,190	1,296	694	902
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	46,461	45,527	48,377	48,175	50,325
Applications of operating funding					
Payments to staff and suppliers	23,848	33,830	24,435	21,767	25,123
Finance costs	4,760	4,028	5,565	3,981	3,894
Internal charges and overheads applied	5,220	7,928	5,348	5,788	5,232
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	33,828	45,786	35,348	31,536	34,249
Surplus (deficit) of operating funding (A - B)	12,633	(259)	13,029	16,639	16,076
Sources of capital funding					
Subsidies and grants for capital expenditure	-	1	-	-	-
Development and financial contributions	549	864	549	549	981
Increase (decrease) in debt	(3,316)	21,125	(54)	(3,648)	340
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(2,767)	21,990	495	(3,099)	1,321
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	901	746	2,498	2,501	2,037
- to replace existing assets	8,965	22,866	11,026	11,039	15,728
Increase (decrease) in reserves	-	(1,880)	-	-	(368)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	9,866	21,732	13,524	13,540	17,397
Surplus (deficit) of capital funding (C - D)	(12,633)	258	(13,029)	(16,639)	(16,076)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	14,543	13,572	14,933	20,140	19,722

Funding impact statement for 1 July 2020 to 30 June 2021 for Stormwater					
	2019/20	2019/20	2020/21	2020/21	2020/21
2.5	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	20,359	19,420	21,635	21,938	21,938
Subsidies and grants for operating purposes	153	120	154	193	979
Fees and charges	10	1	11	11	34
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	20,522	19,541	21,800	22,142	22,951
Applications of operating funding					
Payments to staff and suppliers	7,223	6,672	7,458	7,383	8,129
Finance costs	3,136	2,522	3,850	2,610	2,550
Internal charges and overheads applied	1,924	2,535	1,975	2,465	2,134
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	12,283	11,729	13,283	12,458	12,813
Surplus (deficit) of operating funding (A - B)	8,239	7,812	8,517	9,684	10,138
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	58	89	58	58	68
Increase (decrease) in debt	1,050	(3,766)	(4,327)	(1,940)	(269)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	1,108	(3,677)	(4,269)	(1,882)	(201)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	902	209	554	4,101	496
- to replace existing assets	8,445	3,756	3,694	3,701	9,485
Increase (decrease) in reserves	-	170	-	-	(44)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	9,347	4,135	4,248	7,802	9,937
Surplus (deficit) of capital funding (C - D)	(8,239)	(7,812)	(8,517)	(9,684)	(10,138)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	8,239	7,642	8,517	10,303	10,801

Funding impact statement for 1 July 2020 to 30 June 2021 for Conservation attractions					
2.6	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,001	6,927	7,183	6,988	6,988
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	7,001	6,927	7,183	6,988	6,988
Applications of operating funding					
Payments to staff and suppliers	174	176	176	179	182
Finance costs	689	578	762	588	495
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	4,438	4,942	4,550	4,550	4,943
Total applications of operating funding (B)	5,301	5,696	5,488	5,317	5,620
Surplus (deficit) of operating funding (A - B)	1,700	1,231	1,695	1,671	1,368
Sources of capital funding					
Subsidies and grants for capital expenditure	475	720	800	280	905
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(217)	(1,265)	879	1,903	(828)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	258	(545)	1,679	2,183	77
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	133	2,463	2,899	617
- to replace existing assets	1,076	1,056	911	955	1,393
Increase (decrease) in reserves	882	(503)	-	-	(565)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,958	686	3,374	3,854	1,445
Surplus (deficit) of capital funding (C - D)	(1,700)	(1,231)	(1,695)	(1,671)	(1,368)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,700	1,735	1,695	1,671	1,932

Funding impact statement for 1 July 2020 to 30 June 2021 for City promotions and business support					
3.1	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,701	5,615	6,146	8,808	8,808
Targeted rates	14,318	15,006	14,383	12,442	12,442
Subsidies and grants for operating purposes	-	52	-	-	-
Fees and charges	14,953	281	15,264	15,277	194
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	33,972	20,954	35,793	36,527	21,444
Applications of operating funding					
Payments to staff and suppliers	18,279	3,524	18,801	18,394	4,461
Finance costs	2,124	1,108	3,798	2,623	1,819
Internal charges and overheads applied	1,342	554	1,386	2,127	1,297
Other operating funding applications	14,547	14,488	14,843	15,980	12,581
Total applications of operating funding (B)	36,292	19,674	38,828	39,124	20,158
Surplus (deficit) of operating funding (A - B)	(2,320)	1,280	(3,035)	(2,597)	1,286
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	4,168	5,296	5,005	15,406	5,626
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	4,168	5,296	5,005	15,406	5,626
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	521	-	-
- to replace existing assets	511	1,111	1,449	12,809	3,388
Increase (decrease) in reserves	1,337	5,465	-	-	3,524
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	1,848	6,576	1,970	12,809	6,912
Surplus (deficit) of capital funding (C - D)	2,320	(1,280)	3,035	2,597	(1,286)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following					
depreciation/amortisation charge	1,829	1,734	1,981	1,619	1,977

Funding impact statement for 1 July 2020 to 30 June 2021 Arts and cultural activities					
4.1	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	15,632	15,876	15,918	14,522	14,522
Targeted rates	5,927	5,688	5,991	5,689	5,689
Subsidies and grants for operating purposes	424	105	424	224	-
Fees and charges	606	534	610	552	532
Internal charges and overheads recovered	-	1	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	22,589	22,204	22,943	20,987	20,743
Applications of operating funding					
Payments to staff and suppliers	5,975	4,474	6,091	4,836	4,923
Finance costs	263	246	268	89	76
Internal charges and overheads applied	1,392	1,451	1,438	898	1,206
Other operating funding applications	14,214	15,560	14,426	14,911	15,112
Total applications of operating funding (B)	21,844	21,731	22,223	20,734	21,317
Surplus (deficit) of operating funding (A - B)	745	473	720	253	(574)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	15,242	22,894	52,926	52,416	55,709
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	15,242	22,894	52,926	52,416	55,709
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	15,987	23,540	53,646	52,669	55,958
- to replace existing assets	-	(4)	-	-	-
Increase (decrease) in reserves	-	(169)	-	-	(823)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	15,987	23,367	53,646	52,669	55,135
Surplus (deficit) of capital funding (C - D)	(745)	(473)	(720)	(253)	574
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	745	749	720	715	711

Funding impact statement for 1 July 2020 to 30 June 2021 for Recreation promotion and support					
5.1	2019/20	2019/20	2020/21	2020/21	2020/21
	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	29,576	29,856	30,567	31,490	31,490
Targeted rates	1,419	1,406	1,453	1,524	1,524
Subsidies and grants for operating purposes	191	133	195	15	81
Fees and charges	11,854	9,036	11,840	9,333	12,025
Internal charges and overheads recovered	1,133	1,452	1,163	1,155	1,375
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	44,173	41,883	45,218	43,517	46,495
Applications of operating funding					
Payments to staff and suppliers	20,747	20,214	21,424	22,073	21,896
Finance costs	2,875	2,475	3,065	2,537	2,102
Internal charges and overheads applied	11,352	12,146	11,583	12,703	12,338
Other operating funding applications	727	848	742	892	892
Total applications of operating funding (B)	35,701	35,683	36,814	38,205	37,228
Surplus (deficit) of operating funding (A - B)	8,472	6,200	8,404	5,312	9,267
Sources of capital funding					
Subsidies and grants for capital expenditure	700	178	750	748	979
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	2,520	9,060	2,291	4,511	(643)
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	3,220	9,238	3,041	5,259	335
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	387	59	290	259	476
- to replace existing assets	11,305	14,840	11,155	10,312	5,439
Increase (decrease) in reserves	-	539	-	-	3,687
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	11,692	15,438	11,445	10,571	9,602
Surplus (deficit) of capital funding (C - D)	(8,472)	(6,200)	(8,404)	(5,312)	(9,267)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	8,472	8,105	8,404	8,578	8,853

Funding impact statement for 1 July 2020 to 30 June 2021 for Community Support					
5.2	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	27,202	26,677	28,820	31,207	31,207
Targeted rates	5,341	4,953	5,658	5,382	5,382
Subsidies and grants for operating purposes	-	(1)	-	-	-
Fees and charges	24,385	27,009	25,349	26,838	26,284
Internal charges and overheads recovered	474	352	490	448	695
Local authorities fuel tax, fines, infringement fees, and other receipts	469	195	443	271	343
Total operating funding (A)	57,871	59,185	60,760	64,146	63,911
Applications of operating funding					
Payments to staff and suppliers	29,176	29,267	29,806	32,340	30,512
Finance costs	(757)	(1,076)	(738)	(1,218)	(1,057)
Internal charges and overheads applied	13,932	14,497	14,421	15,424	15,139
Other operating funding applications	4,636	5,513	4,685	5,277	4,995
Total applications of operating funding (B)	46,987	48,201	48,174	51,823	49,589
Surplus (deficit) of operating funding (A - B)	10,884	10,984	12,586	12,323	14,322
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	1,211	1,303
Development and financial contributions	-	19	-	-	14
Increase (decrease) in debt	5,736	(11,828)	(4,624)	5,641	(7,959)
Gross proceeds from sales of assets	-	14,000	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	5,736	2,191	(4,624)	6,852	(6,642)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	3,877	4,480	-	1,220	1,891
- to replace existing assets	12,743	9,496	7,962	17,955	4,315
Increase (decrease) in reserves	-	(801)	-	-	1,474
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	16,620	13,175	7,962	19,175	7,680
Surplus (deficit) of capital funding (C - D)	(10,884)	(10,984)	(12,586)	(12,323)	(14,322)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	18,009	17,982	19,531	18,986	18,068

Funding impact statement for 1 July 2020 to 30 June 2021 for Public health and safety					
5.3	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	12,687	12,684	13,229	12,894	12,894
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	11	-	10	11
Fees and charges	4,533	4,434	4,611	3,256	4,373
Internal charges and overheads recovered	742	630	762	751	600
Local authorities fuel tax, fines, infringement fees, and other receipts	79	23	79	63	22
Total operating funding (A)	18,041	17,782	18,681	16,974	17,900
Applications of operating funding					
Payments to staff and suppliers	9,748	9,794	9,931	10,214	10,295
Finance costs	170	144	208	152	145
Internal charges and overheads applied	6,790	6,500	7,007	7,510	6,709
Other operating funding applications	54	470	54	55	186
Total applications of operating funding (B)	16,762	16,908	17,200	17,931	17,335
Surplus (deficit) of operating funding (A - B)	1,279	874	1,481	(957)	565
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	977	1,923	298	4,266	5,495
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	977	1,923	298	4,266	5,495
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	260	2,020	255	1,524	3,293
- to replace existing assets	1,996	756	1,524	1,785	1,403
Increase (decrease) in reserves	-	21	-	-	1,364
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	2,256	2,797	1,779	3,309	6,060
Surplus (deficit) of capital funding (C - D)	(1,279)	(874)	(1,481)	957	(565)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,279	1,217	1,481	1,340	1,416

Funding impact statement for 1 July 2020 to 30 June 2021 for Urban planning, heritage and public spaces development

	2019/20	2019/20	2020/21	2020/21	2020/21
6.1	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,363	11,072	9,994	9,953	9,953
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	22	280	22	1,031	564
Internal charges and overheads recovered	264	396	272	1,156	383
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	9,649	11,748	10,288	12,140	10,900
Applications of operating funding					
Payments to staff and suppliers	6,203	7,284	6,748	8,657	9,573
Finance costs	19	16	23	26	16
Internal charges and overheads applied	2,896	3,101	2,953	2,828	3,172
Other operating funding applications	450	896	450	503	869
Total applications of operating funding (B)	9,568	11,297	10,174	12,014	13,630
Surplus (deficit) of operating funding (A - B)	81	451	114	126	(2,730)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	56
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	4,208	3,171	3,636	4,487	2,504
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	4,208	3,171	3,636	4,487	2,560
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	13	-	455	1,092
- to improve the level of service	2,549	506	2,602	2,872	392
- to replace existing assets	1,740	2,731	1,148	1,286	1,148
Increase (decrease) in reserves	-	372	-	-	(2,802)
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	4,289	3,622	3,750	4,613	(170)
Surplus (deficit) of capital funding (C - D)	(81)	(451)	(114)	(126)	2,730
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	81	78	114	127	73

Funding impact statement for 1 July 2020 to 30 June 2021 for Building and development control					
6.2	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,363	8,790	8,637	11,378	11,378
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	4	-	-	22
Fees and charges	12,598	11,967	12,860	10,099	14,204
Internal charges and overheads recovered	201	160	206	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	24	7	24	19	3
Total operating funding (A)	21,186	20,928	21,727	21,496	25,607
Applications of operating funding					
Payments to staff and suppliers	12,925	16,133	13,202	16,322	16,893
Finance costs	3	-	4	1	-
Internal charges and overheads applied	8,177	9,550	8,474	10,393	10,295
Other operating funding applications	35	(4)	35	536	(24)
Total applications of operating funding (B)	21,140	25,679	21,715	27,252	27,164
Surplus (deficit) of operating funding (A - B)	46	(4,751)	12	(5,756)	(1,557)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	44,625	22,587	28,823	47,727	47,170
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	44,625	22,587	28,823	47,727	47,170
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	4,942	-	-	-
- to improve the level of service	44,054	8,336	28,349	37,881	27,901
- to replace existing assets	617	9,070	486	4,090	13,509
Increase (decrease) in reserves	-	(4,512)	-	-	4,203
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	44,671	17,836	28,835	41,971	45,613
Surplus (deficit) of capital funding (C - D)	(46)	4,751	(12)	5,756	1,557
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	46	32	12	29	24

Funding impact statement for 1 July 2020 to 30 June 2021 for Transport					
7.1	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	46,852	43,851	53,899	42,133	42,133
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	4,945	6,452	4,987	7,070	6,514
Fees and charges	2,253	3,063	2,293	2,357	2,962
Internal charges and overheads recovered	-	-	-	-	191
Local authorities fuel tax, fines, infringement fees, and other receipts	-	2	-	-	-
Total operating funding (A)	54,050	53,368	61,179	51,560	51,800
Applications of operating funding					
Payments to staff and suppliers	16,372	17,821	16,822	25,262	18,789
Finance costs	8,238	6,375	10,150	7,101	6,426
Internal charges and overheads applied	7,706	7,590	7,925	8,733	10,129
Other operating funding applications	2,500	5	2,500	2,500	5,133
Total applications of operating funding (B)	34,816	31,791	37,397	43,596	40,477
Surplus (deficit) of operating funding (A - B)	19,234	21,577	23,782	7,964	11,323
Sources of capital funding					
Subsidies and grants for capital expenditure	16,931	25,815	16,291	25,362	28,406
Development and financial contributions	539	1,362	539	539	1,169
Increase (decrease) in debt	16,843	6,919	7,157	36,411	23,767
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	34,313	34,096	23,987	62,312	53,342
Applications of capital funding					
Capital expenditure					
- to meet additional demand	261	52	15	7,186	251
- to improve the level of service	22,834	19,659	14,941	25,763	25,274
- to replace existing assets	30,452	29,187	32,813	37,327	30,323
Increase (decrease) in reserves	-	6,775	-	-	8,817
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	53,547	55,673	47,769	70,276	64,665
Surplus (deficit) of capital funding (C - D)	(19,234)	(21,577)	(23,782)	(7,964)	(11,323)
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	34,629	30,555	39,703	34,726	32,570

Funding impact statement for 1 July 2020 to 30 June 2021 for Parking					
7.2	2019/20 LTP \$000	2019/20 Actual \$000	2020/21 LTP \$000	2020/21 AP \$000	2020/21 Actual \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	(17,545)	(16,089)	(20,164)	(19,037)	(19,037)
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	26,135	21,473	28,788	22,225	24,419
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7,102	6,539	7,102	6,894	7,432
Total operating funding (A)	15,692	11,923	15,726	10,082	12,814
Applications of operating funding					
Payments to staff and suppliers	11,224	11,509	11,429	12,752	11,838
Finance costs	23	10	28	13	10
Internal charges and overheads applied	3,584	3,996	3,695	4,023	3,914
Other operating funding applications	1	(53)	1	1	(13)
Total applications of operating funding (B)	14,832	15,462	15,153	16,789	15,749
Surplus (deficit) of operating funding (A - B)	860	(3,539)	573	(6,707)	(2,935)
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(673)	5,195	(452)	7,268	7,098
Gross proceeds from sales of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Total sources of capital funding (C)	(673)	5,195	(452)	7,268	7,098
Applications of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	130	92	121	123	145
- to replace existing assets	57	100	-	438	263
Increase (decrease) in reserves	-	1,465	-	-	3,755
Increase (decrease) in investments	-	-	-	-	-
Total applications of capital funding (D)	187	1,656	121	561	4,163
Surplus (deficit) of capital funding (C - D)	(860)	3,539	(573)	6,707	2,935
Funding balance ((A - B) + (C - D))	-	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	860	819	573	549	566

Capital expenditure by Strategy					
	2019/20	2019/20	2020/21	2020/21	2020/21
	LTP	Actual	LTP	AP	Actual
	\$000	\$000	\$000	\$000	\$000
Governance:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	123	48	-	-	-
Governance Total	123	48	-	-	-
Environment:					
- to meet additional demand	-	-	2,029	-	-
- to improve the level of service	23,138	17,075	35,577	32,185	25,859
- to replace existing assets	36,338	41,512	31,205	32,687	46,716
Environment Total	59,476	58,587	68,811	64,872	72,575
Economic Development:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	510	-	521	-	-
- to replace existing assets	1,337	1,111	1,449	12,809	3,388
Economic Development Total	1,847	1,111	1,970	12,809	3,388
Cultural Well-being					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	15,987	23,540	53,646	52,669	55,958
- to replace existing assets	-	(4)	-	-	-
Cultural Wellbeing Total	15,987	23,536	53,646	52,669	55,958
Social and Recreation:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	4,524	6,559	545	3,003	5,660
- to replace existing assets	26,045	25,092	20,641	30,052	11,157
Social and Recreation Total	30,569	31,651	21,186	33,055	16,817
Urban Development:					
- to meet additional demand	-	4,956	-	455	1,092
- to improve the level of service	46,602	8,842	30,951	40,752	28,293
- to replace existing assets	2,358	11,801	1,634	5,375	14,657
Urban Development Total	48,960	25,599	32,585	46,582	44,042
Transport:					
- to meet additional demand	261	52	15	7,186	251
- to improve the level of service	22,964	19,751	15,062	25,887	25,419
- to replace existing assets	30,510	29,287	32,813	37,764	30,586
Transport Total	53,735	49,090	47,890	70,837	56,256
Council:					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	3,760	7,710	14,171	7,171	12,809
- to replace existing assets	15,448	15,776	21,589	11,136	4,908
Council Total	19,208	23,486	35,760	18,307	17,717
Total Council:					
- to meet additional demand	261	5,008	2,044	7,641	1,343
- to improve the level of service	117,485	83,477	150,473	161,666	153,998
- to replace existing assets	112,159	124,623	109,331	129,823	111,412
TOTAL COUNCIL	229,905	213,108	261,848	299,130	266,753

4. Public Excluded

Recommendation

That Te Kaunihera o Pōneke | Council:

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

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
4.1 Tākina Management Agreement Commercial Terms	7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
	7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	
4.2 Local Government Funding Agency Annual General Meeting Voting	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.
4.3 Public Excluded Report of the Pūroro Waihanga Infrastructure Committee Meeting of 14 October 2021	Section s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.	Section 7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).