



Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Te Pūrongo ā-Tau Annual Report 2020/2021

Whakarāpopotanga | Summary



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 the following pages in the full Annual Report: maintenance of the reticulation network – water supply (pg 117); and total number of complaints received (pg 116, 117 and 119). Also included, and without further modifying the auditor's opinion, is an Emphasis of Matter regarding the disclosure relating to the Government's Three Waters Reform and its impact on the Council, as set out in Volume 2 of the full report, in Note 38 to the financial statements (pg 113).

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.

Andy Foster
Mayor
28 October 2021

Barbara McKerrow
Chief Executive
28 October 2021

Sara Hay
Chief Financial Officer
28 October 2021

Ihirangi

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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.

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01 Whakarāpopototanga o tō mātou tau

Summary of our year

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.



Te hanga i te anamata e hiahia ana mātou

I whakaritea tā mātou Mahere ā-Tau 2020/21, e whakatakoto ana i te ahunga mō tēnei tau, i te wā o te pāheketanga nui nā te taenga mai o te KOWHEORI-19. I whakaritea anō ngā mahere pūtea, ko te nuinga o ngā mahi whakawhiti kōrero i tutuki mā ngā hui topa, ā, ko mātou tētahi o ngā kaunihera tuatahi i te motu ki te waihanga i tētahi mahere matawhānui mō te Urupare me te Whakaora i te Mate KOWHEORI-19.

Te tau kua mahue ake nei

I taea e mātou te tautoko tētahi hōtaka taiopenga whakahirahira pēnei i ngā tini tāngata i tae ki te Downtown Shakedown, te hokinga toa mai o te Wellington Phoenix ki te kāinga, te whakaaturanga o Van Gogh Digital Nights me ngā pāti nui i runga titiri e kīa nei ko Cuba Dupa me te Newtown Festival. I kōkiritia tonu ngā kaupapa tūāhangā matua pēnei i te whakaaetanga me te tīmata hoki ki te hanga i te puna wai nui rawa o te tāone nui, a Omāroro, me te whakatikatika i ngā horo whenua i te tāwhārua o Ngaio Gorge. Iahu whakamua te mahi tuatini ki te whakapakari i tō tātou Tāone Hōro me te St James Theatre mō ngā rū whenua, tae atu ki te hanganga o Tākina, tō tātou whare whakaaturanga. I tutuki hoki i a mātou ngā whakawhitiwhiti kōrero ki te hapori mō te Whare Pukapuka Pokapū, otirā kua tino ahu whakamua ngā mahi hoaho.

150 tau o te Kaunihera

He tau nui tēnei mō te Kaunihera – otirā kua 150 tau mai i tana hui tuatahi i tū i te 28 o Mahuru 1870. Mai i tērā wā, 36 ngā Koromatua, me te hia rau o ngā Kaikaunihera kua whai wāhi ki te tipunga o Te Whanganui-a-Tara hei tāone nui e 210,000 tāngata neke atu.

I taua wā, kua whakaheretia, kua tautokona hoki e te Kaunihera ngā kaupapa me ngā hōtaka i whakarite ai i te ekenga teitei auau o Te Whanganui-a-Tara ki ngā tūranga teitei o te ao hei tino wāhi noho pai, nā te matomato o te tipu o te taiao māori, ngā papa rēhia, te takutai me ngā whakamaneatanga pēnei i a Te Papa, Te Māra a Tāne (ZEALANDIA), ngā toi, ngā taiopenga, me ngā mākete.

Ngā mahi whakamahere mō te anamata.

I a tātou e whakanui ana i te onamata, i tēnei tau i tino whakamau te aronga ki te whakamahere mō te tipunga anamata, me te aumangeatanga. I whakamanatia e mātou tā mātou Mahere Wā Roa 2021-31, tae atu ki tā mātou hōtaka haupū rawa nui katoa, pēnei i ō mātou tūāhangā wai e toru e \$2.4 piriona te uara. I whakamanatia e mātou te Mahere Mokowā hou hei ārahi i te matapae ki hea noho ai, me pēhea hanga ai hoki ngā kāinga me ngā tūāhangā hou, hei nōhangā mā te 50,000 ki te 80,000 kainoho hou e matapaetia ana hei ngā tau 30 e tū mai nei. Mā tēnei e whai mōhio atu ki tā mātou Mahere ā-Rohe, e tukuna ana hei te 2021/22.

I tīmata hoki ā mātou mahi ki te whakatika i te ngoikore ā-ahumoni o tō mātou kaupapa whare pāpori e 2500 te rahi, ā, i whakatau i ngā whakataunga tōmua kia kōkiri whakamua a Te Whanganui-a-Tara. I whakarewahia e mātou te Pōneke Promise i tēnei tau, he rangapūtanga e whai ana kia haumaru ake te pokapū tāone, kia ātaahua ake mā te katoa, i whakawhanaketia, i whāia hoki te Aho Tini 2030 – tā mātou Rautaki Toi, Ahurea me te Auaha, me te Rautaki Tamariki me te Taiohi.

Manaakitanga

I te mutunga iho, ko te tangata te mea nui. Ko te kaupapa o te pūrongo i tēnei tau ko te manaakitanga – ka hiki mātou mā te hiki i ētahi atu, te whakapakari i ngā hapori me te āwhina tētahi ki tētahi.

I te wā o te taumaha, ka taea e tātou, ā, e whakaatu ana i tō tātou kaha, ā, ahakoa ngā uauatanga katoa e aro tonu ana tātou ki te hanga i te anamata e hiahia ana tātou – he anamata toitū, auaha, whakaurunga, otirā he tāone rongonui, me te pakari anō o te hapori.



Andy Foster
Koromatua o Te Whanganui-a-Tara



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

Ka mahi tonu mō ngā tau 150 e whai ake nei

Ko te 2020/21 taku tau ā-pūtea tuatahi i te tūranga hei Tumu Whakarae. Ko taku arotahi ko te hoahoa i te anamata angitu o tō tātou tāone i te wā e whakapiki ana i te raukaha me te āheinga o te whakahaaere ki te tuku whaihua i tētahi hōtaka mahi awhero nui. Me whakamahere tātou mō ngā whai pānga o te taupori e tipu tonu ana, me urupare ki te huringa āhuarangi, me whakautu i te pakeketanga o ngā tūāhangā, me whakapiki i te aumangea rū o tō tātou taiaohanga nui, me whakapau kaha ki te āwhina i te whakapikinga o ngā whare ngāwari te utu, me kake whakarunga tonu i runga i te wairua auaha o Te Whanganui-a-Tara, me te mahi ngātahi ki te āwhina i te huamakotanga o tō tātou ōhangā.

E whakahihī ana ahau i te tere o te whakahaaere ki te urupare me te urutau i roto i te taiao KOWHEORI. Mō mātou o te Kaunihera, nā te āmaimai o te KOWHEORI-19, me te haumitanga e hiahiatia ana ki tō tātou tāone, ko te tikanga o tērā me rerekē tā tātou mahi, ā, me kapo ake i ngā āheinga ka hua ake.

Te Whakamahere wā roa

I te 30 o Pipiri 2021, i whakamanatia tā mātou Mahere Wā Roa 2021–31 – te hua o te 18 marama o ngā mahi whakamahere, whakamahere pūtea me te whakawhititi kōrero ki te hapori. Ko te tūāpapa mō te tekau tau e tū mai nei, ka uru te haumitanga nui ki

ō tātou tūāhangā wai e toru, te whatunga ikiiki, ngā wāhi hapori, ahurea hoki, me te whakatinanatanga o tō mātou mahere hohe hurihangā āhuarangi a Te Atakura – Tuatahi ki te Kore.

He tangata, he tangata, he tangata

He mea nui tonu ā mātou rangapūtanga ki te Mana Whenua, te Kāwanatanga, ētahi atu Kaunihera o te rohe me te hapori hoki. Kua mahi tahi mātou me ngā tarī puta noa i te rohe mō te Pōneke Promise (he rangapūtanga ki ngā kaiwhipānga matua e mahi tahi ana ki te whakapiki i te haumaru o te tāone), te whakaurunga o ngā tūru mana whenua i ngā komiti kaunihera, te wāri Māori hou hei te pōtitanga e tū mai nei, ā, me te mahi ki a Waka Kotahi mō te huarahi pahikara hou o Tahitai, mai i Motukairangi ki te pokapū tāone. Ko te tikanga ake o ēnei kaupapa kia haumaru ake tō tātou tāone, kia whai āheinga ake ai hoki āna kainoho.

Ngā Pūtea

I te wā i whakatauhia e mātou te mahere pūtea 2020/21, i te rehurehu tonu ngā pānga o te mate KOWHEORI-19 me te roa o te aronga e hiahiatia ana ki te whakaora ake anō i te tāone.

I tēnei tau kāore tātou i whiwhi i tētahi moni hua i te Taunga Rererangi o Te Whanganui-a-Tara, i whakaitia te moni whiwhi i ō tātou whare ake, ā, i tautoko ā-pūtea i te Wellington Regional Stadium Trust, Experience Wellington me Cable Car Ltd,

otirā i pā kinotia rātou e te katinga o ngā taitapa, te āmaimai o ngā taiopenga, me te korenga o ngā kaipuke kawe manuhiri. Engari i nui ake te whakamahinga o ngā whare me ngā ratonga i Te Whanganui-a-Tara ki ērā i matapaetia, ā, nā te pūhake o te hōtaka raumati, he nui ake ngā moni whiwhi i hua mai i ēnei whare ki ērā i maheretia.

Te āhua o ngā mahi

Koinei te tau whakamutunga o te pūrongo atu ki tā mātau anga mahi o tā mātou Mahere Wā Roa 2018. Kua rite tonu tā matou eke teitei i ngā wāhi o te whakamahi me te kounga o ā mātou ratonga, ā, e whai ana mātou ki te rapu me pēhea e hikina e mātou te wanea o ngā kainoho me ngā tikanga tirohanga.

Me Hiki Ki Pōneke | Kua 150 tau te roa e mahi ana te Kaunihera o Te Whanganui-a-Tara, nō reira he tino pakari ō mātou tūāpapa ki te whakatipu haere i a tātou e mahi tahi ana puta noa i te tāone ki te whakarite i te anamata angitu mō Te Whanganui-a-Tara.

Barbara McKerrow

Barbara McKerrow
Tumu Whakarae



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

Tō Tātou Tāone Nui 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 people¹

210,400

Population

51.4%

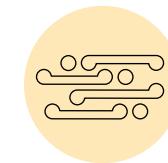
Under 35 years old

14.9%

Over 60 years old



33.4%
born overseas



10.1%
of Māori descent

Our city



105
Playgrounds³



98.9km
of coastline



2,110
Sunshine hours in 2020²



365km
of walking and biking tracks



\$151,183
Average household income⁴

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

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.

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.

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



1915

Municipal Golf Course opens in Berhampore

1912-1970

The Council issues driver licenses

1906

Wellington Zoo opens

1904

First electric trams start and Town Hall opens



1918

Council becomes first local authority globally to found a Municipal Milk Department

1921

First female councillor elected - Annie McVicar

1926

Ōtari-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

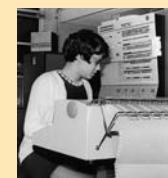
Freyberg Pool opens

1964

The Beatles play two concerts at the Town Hall

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.

**1992**

Civic Square formally opened

1971

First computer bought by the Council – an IBM 360 Model 20 with 4kB memory

1969

Cuba Mall opens

1968

The Milk Department starts selling yoghurt

**2006**

Waitangi Park opens

2008

Housing Upgrade Project commences

2015

Pukeahu National War Memorial Park created

2016

Let's Get Wellington Moving initiated

Tō tātou Anga Rautaki

Our strategic direction

Our four goals 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 136 outcome indicators we monitored in 2020/21, 19 had no data available. The majority were stable or displayed no trend. The commentary below is based on the 12 outcomes that were trending in a desired direction and the 22 that displayed negative trends.

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

City Vision

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

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.
- 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.

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 of the full Annual Report 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.



"I hope that the children who participate in our Zero Waste Education programme go on to be life-long waste reducers, re-users, recyclers and composters, thereby having a positive impact on our city and our world over the long term."

Lorraine Boennic, Waste Educator

As the Council's Waste Educator, Lorraine spends a lot of time with the inspiring and curious students and teachers at Wellington schools. Her role is to encourage positive behaviour patterns around waste and sustainability with our youngest Wellingtonians.

By giving our tamariki and rangatahi the knowledge and skills needed to reduce waste at school and home, they can educate others and share their knowledge to help our city minimise waste.

Whakarāpopototanga o ā mātou mahi

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 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 the full report, Volume 1, Section 2: Our performance in detail, from pg 27 to 129. The impact on our financial performance is in Volume 2 of the Annual Report, pg 8.

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 in Volume 1 of the full report on pg 44.

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 in Volume 1 of the full report on pg 45.

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 results and variance explanations for the qualified measures are in Volume 1 of the full report on pg 116 to 119.





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 the full 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 13 – Our strategic direction 2020/21.

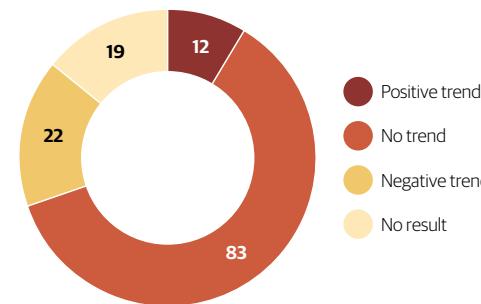
Performance measures (KPIs)

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).

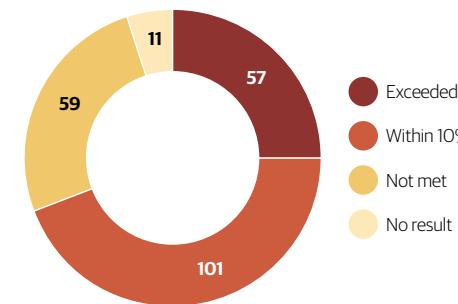
This year is the final year of performance reporting against the 2018–28 Long-term Plan. Therefore, in this section we are reporting the results for 2020/21 as well as reviewing the trend of our results over the past three years.

Our KPIs are displayed in Volume 1 of the full report in Section 2: Our performance in detail by activity area. To view performance as a

2020/21 Community Outcomes results



2020/21 Key performance indicator results



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.

24 of 49

KPI results from annual Residents' Monitoring Survey declined or didn't meet targets

43%

Utilisation measures exceeded targets, despite the impact of COVID-19

52%

Cost to deliver measures exceeded targets. This means more services provided for our residents' money

12 of 26

Timeliness measures were not met, and many haven't met targets for the past three years

KPIs that have...

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.

More information on our 2020/21 performance measure results and outcomes for each activity area are included in Volume 1 of the full report in Section 2: Our performance in detail on pg 27 to 129. That section includes commentary for not met and exceeded variance results.

Met or exceeded targets for 3 years	Improved in the 3 years	Declined in the 3 years	Not met target for 3 years
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
51,729 visits to ZEALANDIA above the target – exceeded despite COVID-19 impacts	540 more cyclists than 2018/19 arriving and exiting the CBD from 7-9am weekdays – steadily increasing each year, now 2,900 cyclists	92,943 uses of Council's Leisure Card. Declined from 156,195 in 2018/19 due to a change in how usage of the card was captured	708,225 visits below target for physical visits to libraries – affected by COVID and Central Library closure
90%+ grant outcomes achieved for the Arts & Culture fund and the Social & Recreation fund	5 years ahead of our goal of planting 2 million natives by 2025 - 1,994,549 planted by the end of the year and 2m early in 2021/22	16% of residents state they are satisfied with how the Council makes decisions – a 53% decrease from 2018/19	49% city parking occupancy during weekends – impacted by COVID-19
327,523 items issued above target from the Council's e-Library – a growing trend and almost double the target	21,204 visitors to Wellington Zoo for an education programme – a 76% increase from 2018/19 result	607,465 fewer trips on the Cable Car than in 2018/19, with only 563,467 this year – impacted heavily by COVID-19	57 hours too long for the median response time for attendance at non-urgent water call outs – against a target of 36 hours

Tom Yuan, International Relations Manager

As Manager of International Relations, Tom's role at the Council is to provide strategy and leadership to the Council's international programmes, and position Wellington in the global economy through sustainable activities, projects and international relations.

When Tom began working at the Council over 20 years ago, he gave advice on Council-managed Asia-focused projects as a consultant, and then co-ordinated and managed projects and cultural events. He took on the role of International Relations Manager in 2007. A key part of his role is to read and interpret the external political and economic environment and to respond with sound advice.

"I am lucky enough to have been working with five Mayors and four CEOs. I have learnt a lot from them. I am also very proud of my team, whose dedication and can-do attitude keep me focused and happy at work every day."



Ngā kaupapa me ngā hōtaka matua

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 27 of the full report.



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, housing, mana whenua relationships, planning, and three waters areas. The full Annual Report provides the 2020/21 update on how those projects are tracking.

Page numbers for where more information is available in the full report are included with each project.

Mana whenua partnerships: pg 33, 34, 37 and 38

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. More information on the future direction of our partnerships with mana whenua is in the full Annual Report.

Government three waters reforms: pg 45

The Government reforms are on-going, with announcements so far including:

- the establishment of a regulator, Taumata Arowai, responsible for a new drinking water regulatory system and improved environmental outcomes from wastewater and stormwater networks; and
- the proposal that Wellington joins with 22 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.

Te Atakura - First to Zero: pg 46

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. Through the 2021-31 Long-term Plan, about \$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.



City Housing upgrades and rent-setting: pg 74

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.

Planning for Growth: pg 84, 89 and 90

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.

Let's Get Wellington Moving (LGWM): pg 94

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. Construction of these two projects is likely to start in 2021/22, depending on decisions made after consultation is complete. More information on the longer-term planning work is included in the full Annual Report.

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.

Page numbers for where more information is available in the full report are included with each project.

Three waters work programme: pg 45 and 51

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
- 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.
- 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: 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 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.

Waste diversion trial in Miramar: pg 46

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.

Southern Landfill extension: pg 46

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. Until consultation on any options occurs and decisions are made by Council, the Southern Landfill Extension project is on hold.



Tākina Convention and Exhibition Centre: pg 56

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 seafar 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: pg 56

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.

Central Library and central city network: pg 74

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.

This year, public consultation took place on the options for the new Central Library, with the Council opting to remediate the current building to the highest level of resilience. Council also adopted the service and design principles, with aim of obtaining a 5-star green rating.

Alex Moore Park Sport and Community Hub: pg 75

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 name, meaning water of life, was gifted 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.

Frank Kitts Park: pg 76

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.

Te Ngākau Civic Precinct: pg 84

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 and the National Centre for Music: pg 85

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. Overall, the work is now 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.

Ngaio Gorge slope stabilisation: pg 95 and 98

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.

02 Ā mātou pūtea Our finances

In this section

This section includes summary statements of Compliance and Responsibility, Revenue and Expense, The Financial Position, Changes in Equity, and Cash Flow.

It also includes the overview of the financial impact of COVID-19 and relevant disclosures for Wellington City Council for the year ended 30 June 2021.

The summary financial statements and specific disclosures have been extracted from Volume 2 of the full Annual Report. Therefore, they do not include all the disclosures provided in the full report and cannot be expected to provide as complete an understanding of the Council's financial position.



Tirohanga whānui o ā mātou pūtea

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 \$7.5million 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 on next page.
Prudent financial management	Yes	See Balanced Budget section on next page.
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 of the full report, pg 115.
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 of the full report, pg 115.
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 of the full report, pg 119. Over the past three years we have invested \$136.5m in our three waters network and \$158.2m in our transport network.
Sufficient insurance cover for natural disaster risks	Yes	See information on insurance within the Financial Statements in Volume 2 of the full report.
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 33. 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.

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

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.

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

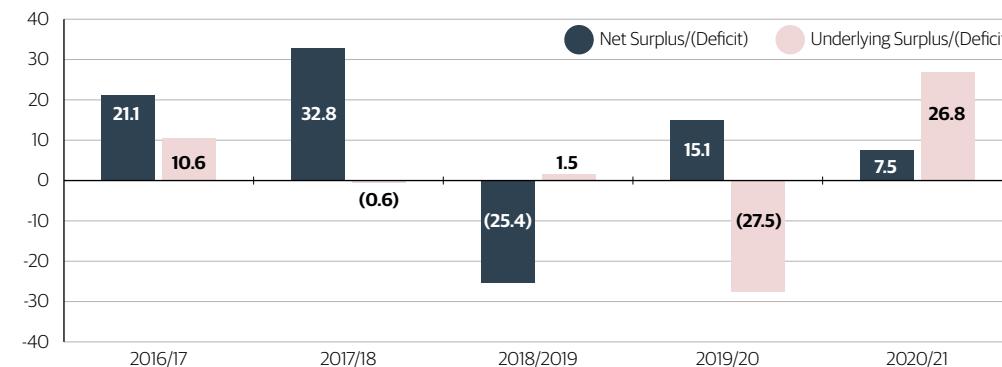
appropriate that the costs were shared across future ratepayers, or where another organisation is liable for the funding

- separately funded items where funding was through other mechanisms
- ring-fenced activities for housing and waste minimisation.

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%

Underlying position



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

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.

Revenue

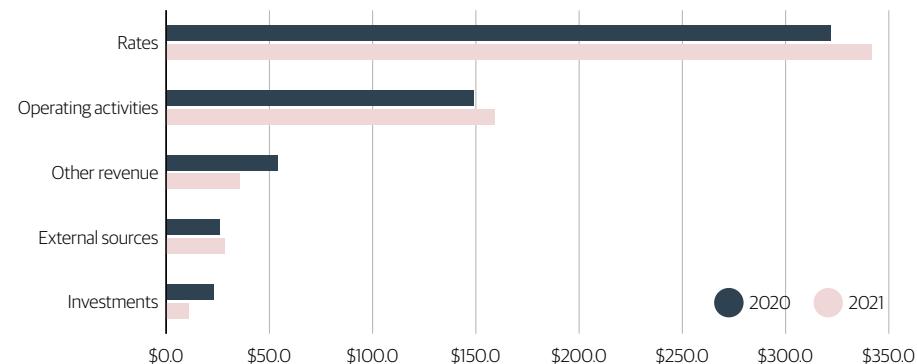
Our main source of funding is from rates – 59 percent of the total revenue of \$575.8m – with the next largest source being revenue from operating activities including user fees at 28 percent. We also received revenue from other external sources, mainly central government, to fund capital expenditure, 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.

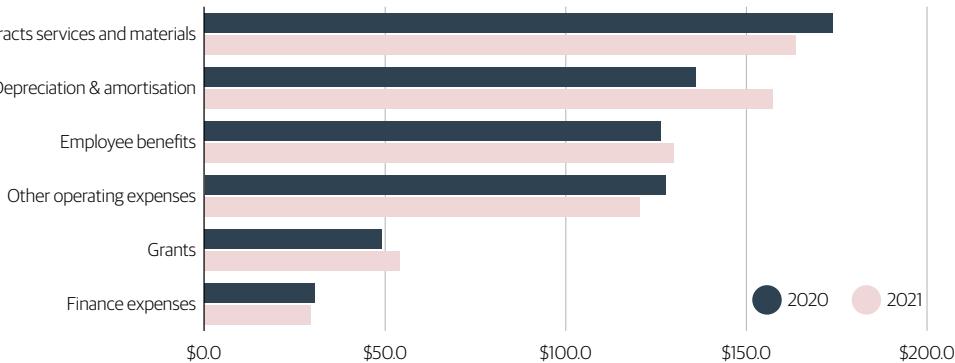
Expenditure

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.

Sources of Council revenue



Sources of Council expenses



Some of the services and facilities Wellingtonians have received this year through their rates were:

Your rates at work

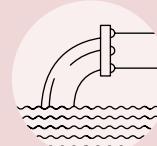
We collected \$341.9m (GST exclusive) of rates during 2020/21.

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.



223,893 calls
answered by our Contact Centre staff



729 km
of stormwater pipes



371 km
of walking and biking tracks



380 litres
of drinkable water supplied
per resident per day⁶



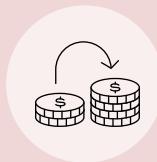
780,825 items available at our 14 libraries



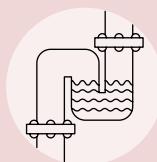
203 sqm
of open space per Wellingtonian



107
playgrounds



\$4.2 m
in funding to community
projects and organisations



1,077 km
of wastewater pipes



754,300
resources in City Archives



104,481
native plants planted
with the community



19,869
streetlights operated



900 km
of footpaths



10
new public murals

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

Rosie Lavea, Assistant Facilities Coordinator, Property

Rosie Lavea says she is a people person and after spending 30 seconds with her, it's clear that this is true. Rosie is the 100th cadet to take part in *He Ara Whai Mahi - Pathways to Employment (P2E)*, a programme providing valuable work experience and skills to young adults on jobseeker support. She has been mentored by Council receptionist Kevin Ward, who says the former Wellington East Girls College student was a fast learner and very capable.

Passionate about customer service, Rosie says she aims to be cheerful with everyone who comes to the Council's reception and to be as efficient as possible so the people she's assisting can get on with their day.

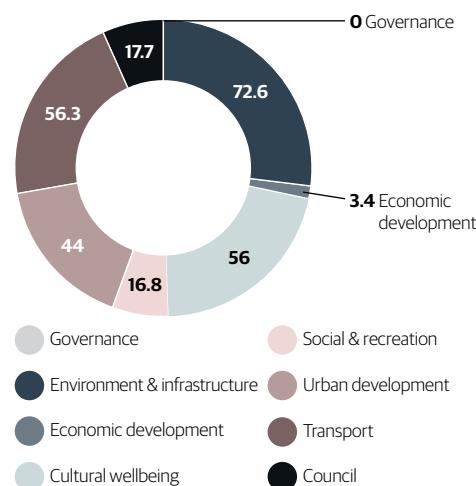
"It's been really good – I've learnt a lot. It's been great getting to meet members of the public and Council staff, learning what's going on around Wellington and getting an insight into what the Council does."



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.

Capital expenditure by strategic area - \$m



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 in Volume 1 of the full report, on pg 44 and 45.

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.

\$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

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.
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 Omārooro 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

Strong finances

There are a number of aspects to being in a strong financial position, and some of them have been covered earlier in this section. Central to our strong position is the Council's careful stewardship of its revenue and expenditure against budget, as well as how close Council was to a balanced budget (underlying result) this year after allowing for one-off debt funded impacts. This ensures that the current generation pay their fair share and do not pass current costs onto future generations.

The Council's financial health continues to be sound, giving Council the ability to deal with any challenges arising. This is reflected in our consistently high AA credit rating with Standard & Poor's. We have assets worth over \$8.8 billion and liabilities of only \$1.1b.

Our debt position remains very conservative and we work with other Councils to reduce costs wherever possible. High-yielding investments such as our ground lease portfolio in the central city, help offset rates requirements.

Summary of COVID-19 financial impact

An assessment on the main impacts of COVID-19 on the Council's financial statements is outlined here. It includes a brief note on what the financial impact was, and references to the relevant Note to the financial statements from the full Annual Report where more information is detailed.

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	
City recovery fund	Utilisation of the 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

Summary statement of comprehensive revenue and expense

The main variances from budget are discussed in the notes following the Statement of Comprehensive Revenue and Expense in the full Annual Report 2020/21.

For the year ended 30 June 2021	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Total revenue	575,724	544,194	540,720	603,334	553,627
Total expense (excluding finance expense)	(542,777)	(568,000)	(532,033)	(569,165)	(556,705)
Total finance expense	(25,490)	(25,718)	(26,541)	(25,509)	(26,569)
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 jointly controlled entity	-	-	-	(3,891)	18,838
Net surplus / (deficit) before taxation	7,457	(49,524)	15,146	4,769	22,191
Income tax credit/(expense)	-	-	-	(482)	621
Net surplus/(deficit) for the year	7,457	(49,524)	15,146	4,287	22,812
Other comprehensive revenue and expense					
Cash flow hedges – FV movement (net)	60,019	-	(38,903)	59,446	(39,330)
Fair value through other comprehensive revenue and expense	944	-	795	556	772
Revaluations of property, plant and equipment	284,092	86,710	493,980	284,092	493,980
Share of other comprehensive revenue and expense of associates	-	-	-	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	352,512	37,186	471,018	374,740	487,499

Summary statement of financial position

For the year ended 30 June 2021	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current assets	241,516	198,433	242,213	263,991	261,999
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
Current liabilities	269,292	218,703	285,976	279,549	296,807
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
TOTAL EQUITY	7,693,695	7,091,855	7,341,183	7,929,184	7,554,444

Assets, investments and liabilities

Council continues to have a very strong financial position which is explained by the following major asset types:

Current Assets

- Cash and cash equivalents (including cash on hand and at bank and short-term bank deposits up to 3 months) - \$84m. This is a decrease of \$15m in cash holdings from the previous year due to timing differences of cash flow requirements and an increase of \$30m in longer-term investments.
- Other current assets (including receivable and recoverables, prepayments and non-current assets held for sale) - \$157m.

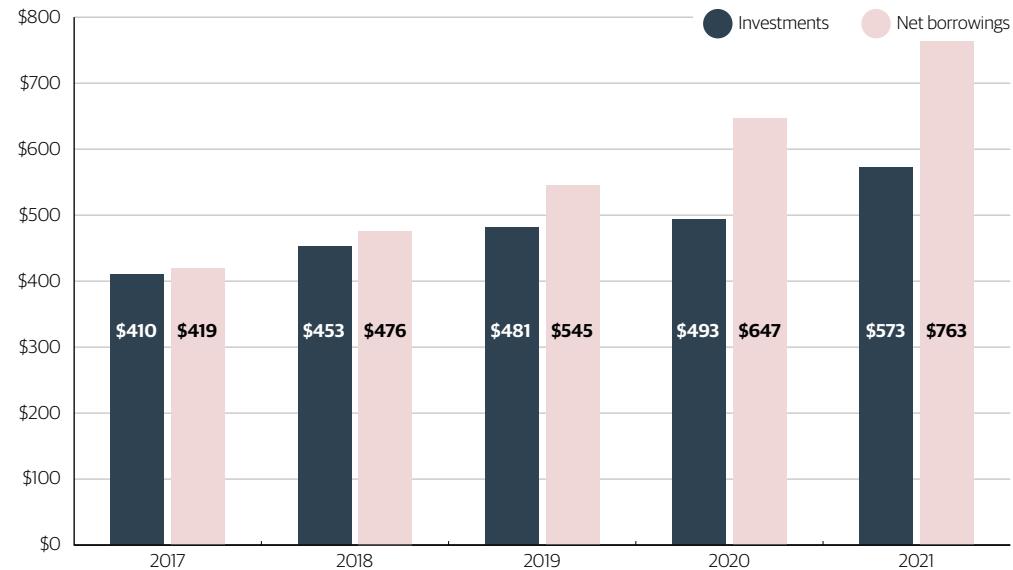
Non-current Assets

- Property, plant and equipment (including land, buildings, pipes, roads and other infrastructure assets) - \$8.2b. The increase of \$393m when compared to 2020 largely reflects the \$284m of net revaluations and the capital spend of \$267m offset by depreciation and amortisation expense of \$137m.
- Other non-current assets (including investment properties and investments in controlled entities and associates) - \$377m.

The Council's level of investments continues to perform well, but not as strongly compared to previous years due to impacts of COVID-19 on investment revenue from Wellington International Airport Limited. For every \$1 Council incurs on paying interest on debt, the Council receives 50c from its investments. The graph below compares the balance of investments and net borrowings over the past 5 years.

Note: Investments comprise investment properties; investment in associates and jointly controlled entities; investment in controlled entities and other financial assets. Net borrowings comprise current and non-current borrowing offset by cash and cash equivalents.

Investment and borrowings, with five-year trend



Our major liabilities include:

Current Liabilities

- Borrowings (maturing in the next 12 months) - \$155m
- Other liabilities (payables and provisions) - \$115m

Non-current Liabilities

- Borrowings (maturing past 12 months) - \$754m
- Other liabilities (provisions and derivatives) - \$105m

The combined movement for liabilities of \$88m is mainly due to an increase in gross borrowings of \$133m offset by the decrease in the valuation of interest rate swaps of \$53m.

Contingencies

A large and novel claim alleging a breach of duty to a tenant of a commercial building was filed in August 2019. The claim is at an early stage. Council's current estimated financial exposure for this claim is \$50,000 being the insurance excess payable.

Unquantified contingent liabilities

Holiday pay remediation

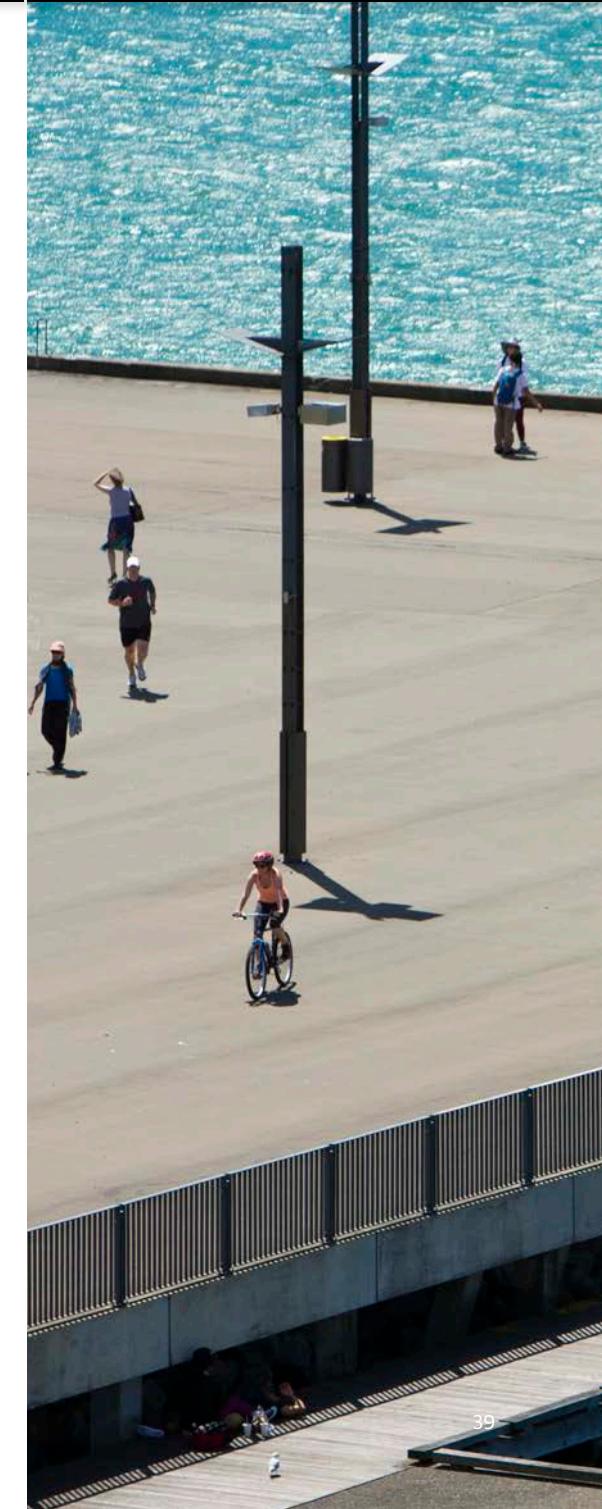
A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 ("the Act"). During 2019/20, Council completed its own review of payroll processes which identified instances of non-compliance with the Act. This review 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.





"This job gives me a meaningful way to contribute to the country which gave me a chance to flourish. In my first week in the job, we took the group known as the Prime Timers (tenants aged 80 and over) out for an ice cream and cup of tea. Those connections and conversations with our tenants are a big part of making sure our communities thrive."

**Sebastian Abril Hernandez,
Tenancy Advisor,
City Housing**

Over a thousand people arrive in New Zealand each year as refugees. Sebastian Abril Hernandez, one of the Council's Tenancy Advisors, was one of them – arriving in New Zealand to reunite with his mother 11 years ago.

Sebastian applied for social housing with the Council and eventually became a tenant in the Central Park apartments in Mount Cook. He studied English, business management and hospitality. As a result of Covid-19, he was in need of a new job and saw a vacancy for someone to join the City Housing team as a Tenancy Advisor. Now Sebastian is able to give others a helping hand and find their home in the city.

Summary statement of changes in equity

Changes in net worth

The Council's net worth is represented by equity, which is the difference between what the community owns (assets of \$8.8b) and what the community owes (liabilities of \$1.1b).

The Council's net worth at the end of the year was \$7.7b, an increase of \$353m from 2019/20. The major reasons for the increase were the \$284m of property, plant and equipment net revaluations and an increase of \$60m in our hedging reserve.

For the year ended
30 June 2021

	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Equity at the beginning of the year	7,341,183	7,054,669	6,870,165	7,554,444	7,066,945
Net surplus/(deficit) for the year	7,457	(49,524)	15,146	4,287	22,812
Other comprehensive revenue and expense	345,055	86,710	455,872	370,453	464,687
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	7,693,695	7,091,855	7,341,183	7,929,184	7,554,444

Summary statement of cash flows

Changes in cash held

Rates and user charges are the primary source of our operating activities cash inflows. The majority of these net cash inflows, together with new borrowings (financing activities), are used in the purchase and development of assets around the city (investing activities).

For the year ended
30 June 2021

	Council		Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000
Net cash flows from operating activities	175,477	158,859	106,673	178,188
Net cash flows from investing activities	(297,496)	(288,702)	(204,640)	(296,358)
Net cash flows from financing activities	107,791	126,431	61,298	108,427
Net increase/(decrease) in cash and cash equivalents	(14,228)	(3,412)	(36,669)	(9,743)
Cash and cash equivalents at beginning of year	98,577	8,179	135,246	113,285
CASH AND CASH EQUIVALENTS AT END OF YEAR	84,349	4,767	98,577	103,542
				113,285

Events after the end of the reporting period

Government three waters reforms

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.

Following the Government announcement on the 27 October 2021 on Three waters reform, there is increased certainty with the proposal to transfer the three-water delivery and infrastructure from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government 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. Based upon the current proposals, the WSE would be independent with a separate Board of Directors and Councils would have no shareholding and no financial interest.

At the date of this annual report being approved for issue there is, due to this announcement, increased certainty that should the legislation be enacted, Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

Impact of COVID-19

The financial impact of COVID-19 to Council in 2020/21 is outlined in the separate disclosure on page 35. 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 then moved to Alert Level 3 on 1 September 2021. At 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.

WOW funding arrangement

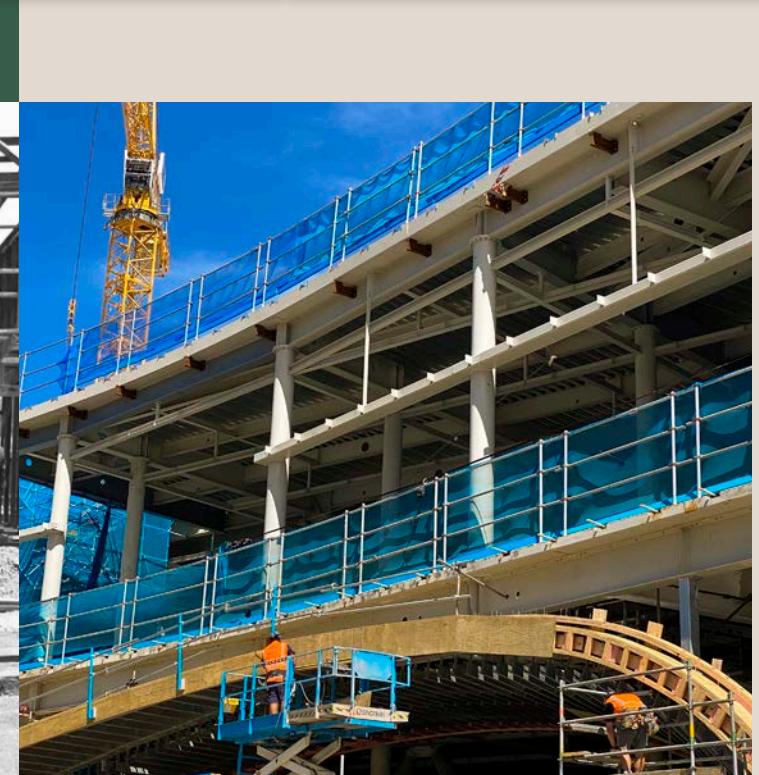
On 4 February 2021, the Council agreed to, and subsequently entered into, a funding agreement with WOW to provide access to financial relief should their 2021 World of WearableArt Awards Show be disrupted due to the COVID-19 pandemic and any related Government restrictions, up to a maximum of \$5m. The 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.



03

Te pūrongo a te kaitātari kaute motuhake

Independent auditor's report



Independent auditor's report

To the readers of Wellington City Council's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Wellington City Council (the City Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 16 to 20, 36 to 39 and 41 to 43:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

However, the summary statement of service provision information includes a limitation in scope to the equivalent extent as the full audited statement of service provision in the full audit report. This limitation is explained below in *The full annual report and our audit report thereon* section.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed a qualified opinion on the statement of service provision in the full audit report and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2021 in our auditor's report dated 28 October 2021. The basis for our qualified opinion on the statement of service performance in the full audit report is explained below.

Six councils, including the City Council, are joint shareholders in Wellington Water Limited (Wellington Water). Wellington Water manages the six councils' water assets and services on their behalf. A Committee represented by a member of each shareholding council monitors the performance of Wellington Water. Wellington Water reports its performance in respect of water services to the six councils, which are required to report thereon in their respective statements of service provision.

We identified significant issues with some of these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

results for these performance measures. Our opinion on these performance measures was also qualified for the 2020 performance year.

Maintenance of the reticulation network – Water supply

Wellington Water was unable to report a reliable water loss percentage for each shareholding council. This is because the water loss percentage is estimated using information obtained from water meters across the reticulation network. The limited number of water meters across the City Council's reticulation network significantly impacts the reliability of the results.

Total number of complaints received – Water supply, Wastewater, and Stormwater

Wellington Water was unable to accurately report the number of complaints for each of the three waters services. Complete records of all complaints were not available, and the complaints system used also did not classify complaints between water supply, wastewater, and stormwater.

Reliability of other performance measures in the prior year

The City Council's activity statements include performance measures on water supply, wastewater, and stormwater fault response times, and the number of dry weather wastewater overflows. In respect of the 30 June 2020 comparative information only, as explained on pages 116 to 119 of volume one of the full annual report, Wellington Water was unable to accurately report on these measures as the information produced from its systems was unreliable. There were no satisfactory audit procedures that we could perform to independently confirm whether the reported information was materially correct and our audit opinion on these performance measures for the year ended 30 June 2020 was modified accordingly.

This issue has been resolved for the 30 June 2021 year. As the limitation on our work cannot be resolved for the 30 June 2020 year, the City Council's performance information reported for these performance measures for the 30 June 2021 year may not be directly comparable to the 30 June 2020 performance information.

Information about this matter is also disclosed on page 2 of the City Council's summary annual report.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report, volume two in note 38 on page 113 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the City Council will no longer deliver three waters services. This matter is addressed on page 43 of the summary financial statements.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

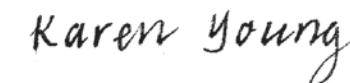
Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary and full annual reports, we have audited the City Council's 2021–2031 Long-term plan, carried out a limited assurance engagement related to the City Council's debenture trust deed, provided probity assurance over the Central Library Project, and performed a review of the revenue and expenditure of the Clifton Terrace Car Park managed by the City Council on behalf of Waka Kotahi NZ Transport Agency. These engagements are compatible with those independence requirements.

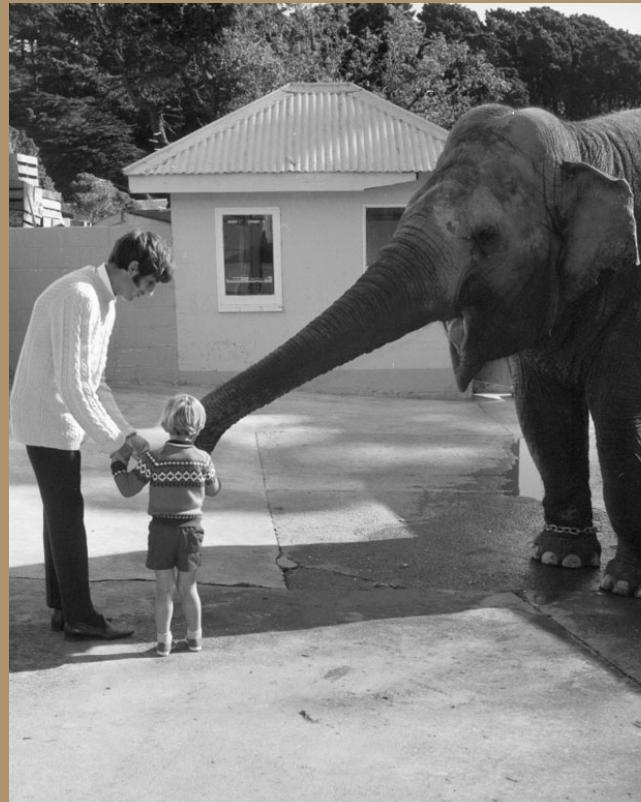
Other than this reporting and these engagements in our capacity as auditor, we have no relationship with, or interests in the City Council or its subsidiaries and controlled entities.



Karen Young
Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand
29 November 2021

04 Āpitihanga Appendices



Glossary

- **Annual Plan (AP).** Our Annual Plan is our budget, showing the expected cost of running the city for the financial year, and how the costs will be funded. An Annual Plan is not prepared in years when a Long-term Plan is prepared (see Long-term Plan).
- **Baseline target.** A baseline target is established when a performance measure is new, the results are inconclusive, or the methodology has changed. The first year/s data is used to collect and assess results to establish a “baseline” from which a target can then be set for future years.
- **Capital expenditure.** Capital expenditure, also referred to as CAPEX, is the money that we spend to buy, maintain, or improve our fixed assets, such as buildings, vehicles, equipment, or land.
- **Cash and cash equivalents.** This includes cash as well as deposits which mature in three months or less.

- **Council-Controlled Organisations (CCOs).** These organisations were set up to independently manage Council facilities, or to deliver significant services and undertake developments on behalf of the Wellington community. Each year performance measures are agreed under a Statement of Intent. Results against these measures are reported in each CCO's Annual Report.
- **Current asset.** This is an asset that can be readily converted to cash or will be used to repay a liability within 12 months of balance date.
- **Current liability.** This is a liability that is required to be discharged within 12 months of balance date.
- **Depreciation (amortisation).** This is an expense charged each year to reflect the estimated cost of using our assets over their lives. Depreciation relates to physical assets such as buildings and amortisation relates to intangible assets such as software.

- **External funding for capital expenditure.** This is funding recorded as revenue but used to fund capital expenditure projects.
- **Fair value.** Fair value essentially reflects the market value of assets or liabilities.
- **Investment properties.** These are properties primarily held by the Council to earn rental revenue.
- **Liquidity/funding risk.** This is the risk that the Council will not have access to the required funds to meet its present obligations.
- **Long-term Plan (LTP).** This 10-year plan, revised every three years, shows the expected cost of running the city for the following 10 years, and how the costs will be funded. Also known as Our 10-Year Plan.
- **Net borrowings.** These are total borrowings, less any funds held on deposit.
- **Net surplus/deficit.** This is the difference between total revenue and total expenses. It includes both operating revenue and operating expenditure, as well as other non-funded items of revenue and expenditure such as capital funding, vested asset revenue and fair value movements.
- **Operational expenditure.** This is expenditure that is not capital expenditure (see capital expenditure).
- **Percentage (%) variance.** The difference between the actual performance measure result and the target result is reported as the result's percentage above or below target. For example, the difference between an actual performance result of 20 percent and the target result of 40 percent is -50 percent. This is because the result is 50 percent less than the target. While the numerical difference between the two figures is 20 percentage points, we do not report percentage point results unless otherwise stated.

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

- **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:

- () **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:** no result/not reported to determine a performance outcome.

- Outcome Indicators are shown as trends over time with an icon that provides an indication of the trend direction. Where outcomes display a positive trend these will be shown with an up arrow, a negative trend with a downward arrow and no trend as a dash.

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

- **Residents Monitoring Survey (RMS).** 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 1,138 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.

- **Ring-fenced funds.** These are funds that can only be used for a specific purpose.

- **Total comprehensive revenue and expense.** This is the net surplus/deficit adjusted for fair value movements of some of our assets including property, plant and equipment, and financial instruments such as cash flow hedges. These movements are non-cash in nature and reflect the changing fair value of assets owned by the Council.

- **Underlying funding surplus/deficit.** The underlying surplus is the reported net surplus, less any government funding for capital projects, plus items not required to be funded by ratepayers this year and other adjustments that do not affect the rating requirements of Council.

- **Unfunded depreciation.** This is the amount of depreciation not funded by rates. This relates mainly to roading assets funded by NZTA and wastewater treatment assets where the operator has responsibility for asset renewal.

- **Vested assets.** These are assets created by others and passed into Council ownership (for example roads built by a developer as part of a subdivision).

Directory

The Customer Contact Centre and website are your first points of contact for all Council services, including building and resource consents, complaints and queries, liquor licensing, animal control, food safety, parks and recreation facilities, Council meetings and consultation, cemeteries, landfills, transport issues, rubbish and recycling collection, parking, rates, events, archives and community services.

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Celebrating
150
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Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

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