
ORDINARY MEETING

OF

STRATEGY AND POLICY COMMITTEE

AGENDA

Time: 9:30 am
Date: Thursday, 4 June 2020
Venue: Virtual meeting

MEMBERSHIP

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

NON-VOTING MEMBERS

Te Rūnanga o Toa Rangatira Incorporated
Port Nicholson Block Settlement Trust

Have your say!

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

AREA OF FOCUS

The role of the Strategy and Policy Committee is to set the broad vision and direction of the city, determine specific outcomes that need to be met to deliver on that vision, and set in place the strategies and policies, bylaws and regulations, and work programmes to achieve those goals.

In determining and shaping the strategies, policies, regulations, and work programme of the Council, the Committee takes a holistic approach to ensure there is strong alignment between the objectives and work programmes of the seven strategic areas covered in the Long-Term Plan (Governance, Environment, Economic Development, Cultural Wellbeing, Social and Recreation, Urban Development and Transport) with particular focus on the priority areas of Council.

The Strategy and Policy Committee works closely with the Annual Plan/Long-Term Plan Committee to achieve its objective.

To read the full delegations of this Committee, please visit wellington.govt.nz/meetings.

Quorum: 8 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

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

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

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

1.2 Apologies

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

1.3 Conflict of Interest Declarations

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

1.4 Confirmation of Minutes

The minutes of the meeting held on 26 May 2020 will be put to the Strategy and Policy Committee for confirmation.

1.5 Items not on the Agenda

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

Matters Requiring Urgent Attention as Determined by Resolution of the Strategy and Policy Committee.

The Chairperson shall state to the meeting:

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

The item may be allowed onto the agenda by resolution of the Strategy and Policy Committee.

Minor Matters relating to the General Business of the Strategy and Policy Committee.

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

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. Petitions

PETITION TO PEDESTRIANISE COURTENAY PLACE

Summary

| | |
|----------------------------|--|
| Primary Petitioner: | Sean Murrie |
| Total Signatures: | 839 (as at 2pm 26 May 2020 – www.change.org) |
| Presented by: | Sean Murrie |

Recommendation

That the Strategy and Policy Committee:

1. Receive the information and thank the petitioner.

Background

1. Wellington City Council operates a system of e-petitions whereby people can conveniently and electronically petition the Council on matters related to Council business.
2. Sean Murrie, Director - The Malthouse, opened an ePetition via the Change.org website - https://www.change.org/p/wellington-city-council-pedestrianise-courtenay-place-in-wellington-to-help-local-businesses-survive-covid-19?recruiter=1088632407&utm_source=share_petition&utm_medium=facebook&utm_campaign=share_petition&recruited_by_id=2fed4f80-941f-11ea-bddb-2dd18afb22d4&utm_content=fht-22118133-en-au%3Av12.

3. The e-petition details are as follows:

To highlight to Council, the strong support of both the local and wider communities to trial a collaborative approach to closing off (all or part) of Courtney Place and the timeliness of the opportunity given various initiatives and planning- Innovative Streets, Annual Planning and City recovery planning.

To investigate a move to close off (pilot a temporary closure of) Courtenay Place, within the next three months, to traffic and allow businesses to use the street for socially distanced and provide for better amenity for patrons.

4. The background information provided for the e-petition was:

To improve the vibrancy of the local area, support local businesses, enable an informal street activity/meeting place and improve the amenity value for pedestrians.

5. The Change.org link provided above also provides the following background information and details:

Pedestrianise Courtenay Place in Wellington to Help Local Businesses Survive Covid-19

Covid-19 has had an immeasurable impact on the hospitality businesses in Wellington being unable to operate for so long during the lockdown. Many of these, especially the smaller venues located in the city centre, will also be very limited for future trade with the social distancing requirements. At this stage it seems inevitable that large numbers of staff will lose their jobs, and businesses will close down.

Several city centres around the world including Milan, Italy and Vilnius, Lithuania have blocked cars and created pedestrian only zones to help with social distancing. These cities are allowing cafes, bars and restaurants to place tables outside in public spaces to enable them to operate within the social distancing requirements between patrons. While NZ has achieved great success in fighting the virus so far, there is no guarantee that we won't see a second wave of the pandemic, and face further restrictions.

We propose a move to close off Courtenay Place to traffic and allow businesses to use the street for socially distanced seating. Each cafe, restaurant or bar would provide their own seating, and monitor their patrons. This could be approached with a trial period beginning in the weekends, and if it proves successful then look at the possibility of extending it during the week, and creating more permanent structures. The street has been blocked off previously for large public events, with traffic and buses rerouted accordingly. There could also be further room for extra activity, for example food trucks, entertainers and stalls, if this was to become a permanent fixture.

We believe this is a great opportunity to revive what could be one of the best entertainment districts in New Zealand. It would create safe spaces that can be enjoyed by all ages during the day, with no traffic, more walking and cycling, and a much more diverse entertainment offering not solely focussed on late nights.

It is a novel time to trial such an opportunity, that could create very positive outcomes in terms of not only helping hospitality and other small businesses, but also help transform Courtenay Place into an area the city can be truly proud of.

6. As at the time of writing this report (26 May 2020), the Change.org e-petition was still open, with 839 signatories. Due to the nature of the Charge.org e-petition service it is

not possible to authenticate the signatories both in terms of confirming individuals, nor place of residence.

Officers' response

7. Officer's recommend that the Strategy and Policy Committee receive the information.
8. In considering the request outlined in the Change.org petition, officer's will prepare a future report that considers the proposal in light of a range of considerations, including but not limited to the following:
 - Alignment with the current LGWM Programme and improvements proposed for the broader Golden Mile corridor including Courtenay Place
 - Implications and alignment with the current COVID-19 response and Innovating Streets initiatives, including resourcing and capacity considerations
 - The outcomes and information gained from the temporary one-off closure of Courtenay Place during the weekend of Friday 23 June / Saturday 24 June at a cost of approximately \$30k
 - Information and comment from Greater Wellington Regional Council in regards to the implications for the public transport bus operations
 - A recognition that any intention to expand the footprint of a premises for the purposes of drinking alcohol can only be realised by submitting a formal application to change the conditions of an existing alcohol licence. Special licence applications are not deemed to be suitable for this purpose
 - An analysis of the pros and cons of longer term or permanent closure of Courtenay Place, including parking revenue and other operational issues
9. The report, scheduled for the end of June, will provide advice and recommendations on the above.

Attachments

Nil

| | |
|------------|---------------------------------|
| Author | David Chick, Chief City Planner |
| Authoriser | David Chick, Chief City Planner |

SUPPORTING INFORMATION

Engagement and Consultation

Details of any engagement or consultation will be considered and outlined in the future report to be presented to the Committee.

Treaty of Waitangi considerations

Treaty of Waitangi considerations will be considered and outlined in the future report to be presented to the Committee.

Financial implications

At this stage, the cost of any long-term temporary or permanent closure of Courtenay Place is unknown. The financial implications, including capital and operational, will be considered and outlined in the future report to be presented to the Committee. This will also include, implications associated with the Greater Wellington Regional Council's operations of the bus service. By way of indication, the Friday 23 June / Saturday 24 June temporary one-off closure of Courtenay Place cost approximately \$30k.

Policy and legislative implications

The LGWM Recommended Programme of Investment, maintains the importance of Courtenay Place as a public transport corridor with greater emphasis on pedestrian amenity. Details of any additional and legislative implications will be considered and outlined in the future report to be presented to the Committee

Risks / legal

The risk and legal implications will be considered and outlined in the future report to be presented to the Committee.

Climate Change impact and considerations

The climate change implications will be considered and outlined in the future report to be presented to the Committee.

Communications Plan

The outcomes of this report will be communicated to the petitioner. Any additional requirements for a communications plan will be considered and outlined in the future report to be presented to the Committee.

Health and Safety Impact considered

The broader health and safety implications, including the response to COVID-19, will be considered and outlined in the future report to be presented to the Committee.

3. General Business

OMĀRORO RESERVOIR

Purpose

1. This report asks the Strategy and Policy Committee to approve Wellington Water Limited's proposal to invest in the Omāroro Reservoir.

Summary

2. Wellington City anticipates future economic and population growth to be focussed around its vibrant and compact central area. This growth cannot occur without investment in enabling infrastructure.
3. Central Wellington is known to be vulnerable to seismic activity, and infrastructure investment needs to enhance resilience while accommodating growth. Currently around the City, there is active investment in the seismic resilience of buildings, the road corridors, in Wellington Electricity's resilience programme, and in options for development of the port.
4. The three waters are integral to this picture. Wellington Water Limited has identified Omāroro reservoir as its top priority for Wellington City. Omāroro is designed to provide safe drinking water storage, to enable growth and provide operational and seismic resilience to the CBD and hospital.
5. Currently there is one day of stored water for the central area. Without Omāroro, Wellington is economically and socially vulnerable to a water outage from an earthquake or other event.

Recommendation/s

That the Strategy and Policy Committee:

1. Receive the information.
2. Note the budget estimate for the Omāroro reservoir has escalated by \$9.9m since April 2019 to \$68m (inclusive of the associated Wallace Street pipe works).
3. Agree that, as proposed by Wellington Water Limited, the current Three Waters annual plan capex budget will be maintained at current levels by delaying the Moe-i-te-Rā (Bell Road) reservoir project.
4. Note that any further amendments to the Three Waters capital expenditure programme will be considered as part of the Long-term Plan.
5. Note that an independent review of the Omāroro project did not raise any concerns or

issues beyond those considered in the Business Case.

6. Note that Omāroro is a complex project that requires an elevated level of governance and that Wellington Water Limited will formally brief Council every six months on progress.
7. Note that Omāroro has been identified to the Government as a candidate for financial support (possibly in the form of loan funding) to assist the City with recovery from COVID-19.

Background

6. The day-to-day functioning, prosperity, and growth aspirations of Wellington City rely on an adequate supply of safe and healthy drinking water. This is especially the case for central Wellington – the primary driver of the City and the region’s economic activity and also home to around 70,000 people (a number that essentially doubles during business hours).
7. Existing supplies are insufficient to meet operational and seismic resilience requirements, and to accommodate forecast growth.
8. Wellington City Council owns the City’s public water assets. Wellington Water Limited (WWL) is funded to manage and operate the assets on the Council’s behalf, and to provide expert advice to Council on water investment and management.
9. In the 2018 Long-term Plan, Council agreed to fund WWL to construct the Omāroro reservoir in the 2018 to an estimated cost of \$41m. Omāroro is a 35 mega litre (35,000 m³) drinking water reservoir located in the Town Belt, within Prince of Wales Park in Mount Cook. The reservoir is to be fully buried and includes various pipeline connections to adjacent water networks.

Discussion

10. WWL advice is that Omāroro addresses a significant deficit in safe drinking water storage within the CBD and provides additional operational flexibility, significantly reducing the level of risk for loss of supply due to unforeseen circumstances. Currently, there is only one day of storage available to meet average demand in the event of a bulk water outage. A pipe failure in 2017 highlighted that such events are possible and the potential risk and impact will increase as growth progresses. A loss of supply or the significant water use restrictions to prevent it would have an estimated economic impact of \$70- \$100 million per day.
11. WWL anticipates that Omāroro will support forecast population growth of up to 46,000 people (68%) by 2066 while being sized to reflect anticipated improvements in water use efficiency and demand management over that period. Omāroro does not obviate the requirement to manage demand.

12. Omāroro forms a key part of the planned response to delivering an emergency water supply to the Wellington CBD and critical users such as the Wellington Regional Hospital in the event of a major earthquake or other natural disaster. A resilient water supply for the CBD is a 'must have' to ensure the City can respond to and recover from a major earthquake. A significant earthquake capable of causing damage to infrastructure and the environment is likely within the lifetime of the reservoir.
13. In April 2019 WWL advised Council that the estimated cost had escalated to \$58.2m due to an initial underestimate and increased contractor costs.
14. WWL's current estimate is \$68.1m. The \$9.9m increase is due to:
 - an unforeseen change in seismic standard (\$8.5m),
 - delays caused by COVID-19 (\$1m), and
 - the difference between the estimate and the post-tender price (\$0.4m).
15. WWL proposes that Council manages the immediate impact of increases cost through delaying the Moe-i-te-Rā (Bell Road) reservoir project for consideration through the 2021-31 Long Term Plan.
16. Omāroro has been identified by the Region as a 'shovel ready' project that could commence as early as August 2020. It has been submitted to Crown Infrastructure Partners as a candidate for Government assistance because it can help to stimulate economic recovery from COVID-19. This is unlikely to reduce the capital cost to Council but may result in a reduction in the associated borrowing costs. The project is consented and a construction contract has been negotiated and is ready to award.
17. The project has been identified by officers as requiring an elevated level of oversight due to the level of complexity, cost, disruption and community interest. WWL will provide assurance of this oversight by formal reporting into the quarterly report and provision of six monthly briefings to the Strategy and Policy Committee. This is in addition to regular and systematic local briefings through the Community Liaison Group.

Options

18. WWL assessed three alternatives in developing the business case:

Option 1: Demand Management

19. Water demand management is a combination of hard infrastructure, including network leakage reduction and other soft, community-focused programmes, including education and other initiatives intended to drive down the use of water by individuals, households and commercial and other extra-ordinary users.
20. WWL advises that an intensified demand management programme is unlikely to deliver the required results within the required timeframe needed to grow capacity or provide

general or disaster resilience. As noted above, it is expected that a demand management programme will also still be required, both as part of the Sustainable Water Supply initiative and to ultimately enable the 50-year growth projection with this investment.

Option 2: Distributed Water Storage

21. A key element of WWL's water supply resilience programme is that customers should store sufficient water to meet their basic needs for the first seven days after an event. However, only a modest proportion of customers have stored sufficient water, the quantity stored for seismic resilience is not sufficient to meet normal demand, and the stored water is not integrated into the network so that it can be used directly in the place of the normal supply. The cost of ensuring that all customers had sufficient water and were integrated into the network would significantly exceed the cost of the bulk water storage reservoir.
22. WWL considers that sizing Omāroro for operational and growth requirements means that it also has sufficient storage to meet the seismic resilience requirements for the CBD and for Wellington Regional Hospital. WWL considers that requiring the Hospital to invest in dedicated water storage would not reduce the required size for the Omāroro reservoir.

Option 3: Alternative Sites

23. The choice of this location, and the assessment of criteria against alternatives, has been considered by WWL through technical assessments and confirmed through the Resource Consent process.
24. In 2011 an options assessment identified potential options and sites for a 35 ML reservoir. Ten potential sites were long-listed for consideration. Of these, four sites – Prince of Wales Park, Torquay Terrace, Government House and Carmichael Reservoir – were shortlisted based on an assessment of their constructability. A multi-criteria analysis (MCA) was then conducted on the short-listed sites, including criteria such as ability to integrate into the existing network, ability to satisfy environmental and other considerations under the RMA, public acceptability, and construction practicality.
25. The Prince of Wales (Omāroro) site was preferred by WWL because of its location within the drinking water distribution network, relatively low excavation requirements compared to alternative locations, comparatively favourable environmental setting, and estimated cost relative to the other locations. A component of the costs for Omāroro includes the need for the reservoir to be buried to meet the planning requirements associated with development within the Town Belt. The Omāroro site was clearly the preferred site for both price and non-price criteria. This was further tested during the consent process.
26. WWL's business case and options development has been checked by an external independent expert appointed by Council officers.

Next Actions

27. If approved, WWL will commence work early in FY 2020/21.

Attachments

Attachment 1. Omāroro Reservoir and Associated Pipeworks with Business Case [↓](#) Page 17

| | |
|------------|---|
| Author | Mike Mendonca, Chief Resilience Officer |
| Authoriser | Moana Mackey, Acting Chief City Planner |

SUPPORTING INFORMATION

Engagement and Consultation

Omāroro has been the subject of extensive formal and informal engagement and consultation.

Treaty of Waitangi considerations

WWL has engaged extensively with Mana Whenua on Omāroro.

Financial implications

The report outlines the cost amendments, which are recorded in the 2018 Long-term Plan, the 2020/21 Annual Plan, and will be further highlighted in the 2021 Long-term Plan.

Policy and legislative implications

There are no policy or legislative implications.

Risks / legal

Omāroro is a high profile, complex and expensive project that requires an elevated level of monitoring and governance from WWL, and assurance to the Council. This is described in the report.

Climate Change impact and considerations

Omāroro will facilitate further growth in the CBD and inner suburbs thereby supporting Wellington's compact urban form and the general direction of Te Atakura. WWL will measure carbon – the contract includes a requirement for the contractor to measure the carbon footprint.

Communications Plan

WWL already has an extensive communications plan in place.

Health and Safety Impact considered

There are significant and complex risks involving multiple PCBU on this site. WWL is responsible for managing these risks and for providing assurance to the Council that it has the requisite policies and processes in place.



Board Meeting

Paper number: 04
Board meeting: Friday, 1st May 2020
Agenda no: 2.1
Prepared: Stephen Wright, Manager, Major Projects, Network Development & Delivery
Approved: Tonia Haskell, General Manager, Network Development & Delivery
Recommended: Colin Crampton, Chief Executive

Omāroro Reservoir and Associated Pipe works

Purpose

1. To seek approval to present the revised cost for the Omāroro Reservoir and associated pipe works to the Wellington City Council (WCC).

Summary

2. The Omāroro Reservoir and associated pipe works project is a critical asset in the overall drinking water network. It will provide operational benefits, is sized for future growth and will be part of a resilient network should we be unfortunately struck by a large earthquake.
3. The scope and therefore the cost of the project has varied over the years. When the project was first put in Council plans, it was smaller, assumed to be on the surface, and didn't account for the constrained site. The February 2019 estimate (\$58.2M) approved by the Council, reflected the

investigated and consented project sized for a future Wellington. Approval of the project budget enabled us to move into the construction phase of the work.

4. The associated pipe works part of the project is in construction and is scheduled to be complete late August/early September 2020. The main reservoir has been tendered on the open market using a design and construct form of contract. Before we could tender the project we needed to complete the detailed design. As we moved into detailed design, we used a method of analysing seismic forces on structures which had been adopted following recent seismic events across New Zealand. This was not used during the preliminary design which the February 2019 estimate was based on. This has resulted in an estimated increase to the project of \$8.5M which is a large percentile increase based on total project cost.
5. Following discussions with council officers in the middle of 2019, it was agreed we should proceed with the tender to find out if this estimated increase in cost had flowed through to the tender price. We now know it has.
6. We believe the project is a good investment at the revised estimate of \$68.1M and WCC's independent reviewer has indicated in his draft advice that he agrees. However, in a post Covid-19 environment, the WCC needs to confirm the project's priority against everything else in its programme and approve funding for the revised cost.
7. The Omāroro Reservoir complies with the shovel ready criteria and is second on the Region list. However, we don't need to wait for an announcement as the criteria are applicable whether the project is in construction or not. It would not make sense to wait anyway because the need for releasing funds back in the supply chain is an immediate one and the Omāroro Reservoir can be used as a good first example. It also puts the Council in a good position as being seen to help themselves ahead of any Government offer of assistance.
8. We would argue that it is in all our best interests to award the tender now because the market will change significantly once any "shovel ready" announcements are made. [REDACTED]



Financial Summary

9. The project is made up of two parts as follows:

- a) The Omāroro reservoir itself; and
- b) The associated pipe works which connect the Omāroro Reservoir to the trunk supply mains and truck reticulation mains.

10. The following table outlines the revised February 2019 estimate including the estimated cost of two variations which have surfaced since the original estimate was reported to council; as follows:

- a) The change in seismic design standard valued at \$8.5M (in February 2019 equivalent estimating terms); and
- b) The \$1M estimated cost needed to keep the current HEB tender valid beyond the expiry of 31st March 2020.

| | Cost components | February 2019 Revised Estimate |
|---|--|-----------------------------------|
| Council approved | Associated pipe works | \$15M |
| | Omāroro Reservoir | \$43.2M |
| | Subtotal | \$58.2M |
| Variations to be approved by Council | Estimated cost of seismic standard | \$8.5M |
| | Delay due to Covid-19 | \$1.0M |
| | Difference between estimate and post tender cost | \$0.4M |
| | Revised Total | \$68.1M |

11. The revised estimate can now be compared with the post tender estimate which includes the two variations within the tender price. The updated post tender estimate is \$68.1M (Attachment C). The Board should note:

- a) That the full cost of the change in seismic standard has flowed through to the final price, and
- b) The original basis of estimate was sound as the post tender estimate is in close proximity to the adjusted February 2019 estimate.

12. There is a high level of confidence around the \$68.1M estimate as nearly all risk has been transferred to the contractor including cost escalation risk. We are currently negotiating on other contingency sums to see if risks, like ground conditions, can be transferred to the contractor.
13. The only outstanding risk not included is the long term effects of working under Covid-19 health and safety procedures. It is too early to estimate these and we suggest councils address these at a programme level rather than a project level once they are clearer.

Recommendation

14. It is recommended that the Board:
 - a) Notes that after WCC approved the project estimate, in February 2019, the associated pipe works component of the project was committed to construction and it is tracking to budget and for completion by the end of August 2020;
 - b) Following detailed negotiations with HEB contractors, that the final estimate for the combined project is \$68.1M and that there is a high degree of confidence in this estimate;
 - c) Notes this is an increase of \$9.9M over the previous estimate of which \$8.5M is due to an unforeseen change in seismic standard not included in the original February 2019 estimate;
 - d) Agrees the project remains a good investment for the region at the level of the revised estimate;
 - e) Approves seeking Wellington City Council approval for the revised estimate noting any future Covid-19 costs should be managed across all projects at the programme level so aren't anticipated or included here; and
 - f) Agrees any recommendation from Council officers on this project should emphasise:

- i. This project is truly “shovel ready” in that it can enter construction straight away and provide fiscal stimulus to the city within months; and



Attachments

15. There are three attachments:

- a) Attachment A: February 2019 Level 3 Estimate
- b) Attachment B: Updated April 2020 Level 5 Estimate
- c) Attachment C: Omāroro Reservoir Business Case

What are we trying to achieve?

- 16. Our drinking water aims are to provide the residents of the Wellington Metropolitan with a safe, reliable and resilient system. Currently we provide a high standard of safe water across our network, however some parts of the network are not as reliable or resilient as we would want.
- 17. The Wellington CBD and Eastern suburbs are particularly vulnerable because of a lack of storage and being so far away from our water sources. After the 2016 Kaikoura Earthquake, the Crown and Local Government Company invested in an above ground emergency drinking water system to provide 20 litres per person per day within 1000 metres of people’s homes. This system is complete other than the establishment of contracts for temporary desalination plants in the Eastern suburbs and the completion of the Omāroro Reservoir. The Omāroro Reservoir is intended to

provide drinking water storage for use before the CIR assets are up and running. It needs to be built to a high standard of earthquake resilience so that the water in it survives the earthquake and is then available to distribute to residents.

18. Currently we have less than 24 hours' storage of safe drinking water for the CBD. As the economic hub of the region we classify all the key elements of the drinking water network serving the CBD as critical and therefore should offer the highest possible standard. The minimum recognised standard for storage is 48 hours. This means residents can continue to receive safe water if there was a "burst" or disruption in the supply network to the city. This was demonstrated in 2017 when a water main burst in Featherston Street which almost cut off water to the city.
19. As our City grows we need more storage to support this growth. The Wellington City CBD is proposed as one of the key areas to support growth. We do however need to acknowledge that we use a lot of water per head of population across the Wellington Region and we have a high percentage of network losses. As our City continues to grow we need to be thinking about how to manage demand.
20. In summary, the Omāroro Reservoir and associated pipework is a critical asset in the drinking water system supporting Wellington City providing the following key benefits:
 - a) Delivers the minimum 48 hours storage for the CBD area to ensure businesses and customers can keep receiving safe drinking water if there is an interruption to supply;
 - b) Provides additional capacity to meet the forecast growth in the city for the next 10 - 20 years (depending on the speed of growth and demand); and
 - c) Is designed to survive an earthquake. It is a key asset in providing drinking water for Wellington CBD and the hospital until the network supply can be re-established.

What is the Scope of the Work?

21. The scope of the work is a 35 million litre capacity reservoir with associated reservoir pipe work, which connects it into the supply network from the treatment plants and into the distribution network to provide safe water to the residents, businesses and stakeholders of the city.
22. After significant optioneering, a knoll within the Town Belt above the Prince of Wales Park was chosen as the site. During community consultation for the project, as required under the RMA and the Town Belt Act, the visual impact of the proposed reservoir was considered significant so it was agreed to cut the reservoir into the side of the knoll and cover it to mitigate the Reservoir's visual impact. Resource consents and consents under the Town Belt Act were obtained in 2018.
23. The size of the reservoir and who should fund it has been debated for many years. After the City began to grow in 2017, the size issue was resolved because more storage was forecast to be needed than Omāroro alone so the size of the reservoir was maximised for the location. Early in the reservoir's life, it was proposed that the reservoir was co-funded between the WCC and the Wellington Hospital because of the benefits to the hospital both operationally and following a major earthquake.
24. After the 2016 Kaikoura Earthquake, a level of service standard was agreed for the provision of a resilient drinking water system as follows:
 - a) Residents, businesses and critical customers (e.g. the Hospital) would provide up to 7 days storage on site to serve their immediate post-earthquake drinking water needs; and
 - b) The local authority would provide safe drinking water after day 8 and in increasing quantities as the network was improved.
25. This level of service agreement once and for all resolved that the reservoir would be funded 100% by WCC ratepayers.

What is the budget for the work?

26. In February 2019, Wellington Water provided the level 3 estimate for the works (Attachment B). The reservoir and pipe works were estimated to have a cost range of \$55.8M to \$58.2M.
27. There was much publicity about the increase in cost from previous estimates, but these can largely be attributed to having to provide rough order of costs prior to the scope and consenting of the project being understood, and not being fully updated for real annual cost escalation. Early in the project life cycle, the reservoir was estimated using parametric values, assuming it was above ground and half of it was to be paid by the Wellington Hospital. This has led to the large difference between today's estimate and those of the past.
28. As a consequence of these issues we have developed a cost estimating manual and a basis for communicating the accuracy of estimates for our owners. We are now all aware of the risks of putting estimates into annual plans before activities have been investigated, scoped and consented.
29. At its February 2019 meeting, the Council approved the budgets for the project and the project entered the construction phase in two parts:
 - a) The associated pipe works supporting the reservoir, which are over 65% complete now, valued at \$15M; and
 - b) The Omāroro Reservoir itself which was to be tendered later because the pipe works needed to be substantially complete to ease disruption to traffic and the community.
30. The budget for the works will need to be adjusted for the ongoing impacts of Covid-19. The Wallace Street project was suspended for 5 weeks and we will need to vary the contract for the Contractor's holding costs. The ongoing impact of Covid-19 on the way contractors work will need more time to reassess and it is better to deal with these issues later than now.

A change in Seismic Standard has occurred

31. The estimate provided to Council in February 2019 was based on a preliminary design. Once the estimate was approved by the Council, we proceeded to the detailed design.
32. Between the preliminary design and the detailed design and after considering recent seismic events across New Zealand, the method for assessing forces on underground forces was updated. The new method required detailed modelling whereas the old method used simplified procedures. Research found the use of simplified procedures did not fully capture all the possible loads on buried structures. Once the modelling for these loads for Omāroro was completed in March 2019, the impact of this change was understood. This new standard required a re-design of the reservoir's foundations adding an estimated \$8.5M of cost.
33. This emerging risk was not foreseen at the time we went to Council in February 2019 although the standard had been changed before we completed the estimate. The reason the full extent of this oversight was not known was because the detailed modelling had not been completed. In hindsight, this risk should have been clearer and an allowance made for its cost made in the February 2019 estimate. When we were advised of the change to the standard in June 2019, it was our advice to Council that it should be adopted because we live in a seismically active area and the Omāroro Reservoir has very high criticality in our water supply system.
34. This large increase in cost was unsettling for everyone. After significant discussion with WCC, it was agreed we should proceed to tender to find out the real cost of the project. In addition, the WCC commissioned an independent review of the investment proposal. Bruce Wattie was appointed to do this.

35. We tendered the reservoir using the most up-to-date procurement methods – competitive Early Contractor Involvement. This method allows for contractors innovations and to transfer the risk to the contractor in a way which generates best value for money. HEB contractors have succeeded in winning the tender and the Board approved naming HEB as the preferred tenderer. The tender was valid until the end of March 2020.
36. The tender process was successful with innovations received on the roof design and headroom between the water level and roof, the shear key design and the way the earth was backfilled against the reservoir.
37. The HEB tender was submitted on the basis of being given approval by the end of March 2020, and this reflected the tender process we ran which closed in November 2019. Its's normal to hold costs for about 3 months. We are currently outside this date but have mitigated some of HEB's concerns by agreeing to minor works orders to carry out some additional geotechnical work and prepare the necessary management plans (\$315K). [REDACTED]
38. The updated estimate for the project is \$68.1M (see Attachment C).
39. This updated estimate has higher levels of confidence because the work has now been tendered so we know the price and therefore a number of risks have been mitigated. The most significant remaining risk is ground conditions varying from what we have assumed and the possibility of finding contamination.
40. There still remains uncertainty over the ongoing effects of the Covid-19 rules around Health and Safety. These are yet to play out fully and are very difficult to estimate now. We believe the best way to manage this risk is to assess the impacts in say, six months' time and discuss this with the Council at a programme level because the impacts will be felt across all projects.

Is the project a worthwhile investment?

41. It is our opinion that the Omāroro Reservoir and associated pipework is a very worthwhile investment for the region. It is a critical element of infrastructure supporting the Wellington CBD and thus a priority for the region.
42. We have tendered the work using the most up-to-date procurement methods and have a final design and price which we believe is best value for money for this site.
43. Bruce Wattie has indicated verbally and in his draft summary that the Omāroro Reservoir is a good investment.
44. On this basis we propose we seek WCC approval for the revised estimate for the work.

Council to consider Omāroro in light of Covid-19

45. The Covid-19 virus and mitigation plans has had a significant impact on the financial position of WCC due to reduced non-rate based revenues and a lower than budgeted rate strike for the 20/21 financial year. The Council advises us that some of this impact can be offset by increased borrowing, but decisions on critical infrastructure need to be taken at the whole of Council level.
46. The Council is currently considering the priority for this project in amongst all its other priorities, but has informed us they can consider our Omāroro request once the draft 20/21 Annual Plan has been agreed. This was done on the 30th April 2020.
47. One other issue is the proposed fiscal stimulus proposal by Government in the form of supporting Local Government in the funding of what they term "shovel ready" projects. The Omāroro project qualifies as being "shovel ready" as it is currently the number 2 project in the Region's priority list. Our reading of the supporting material supplied by Government is that there is no reason to delay the Omāroro Reservoir pending advice

from Government as they are committed to assist projects in construction as well as those ready for construction. The rationale is that Covid-19 has affected the overall financial position of Council not particularly this project. We would also argue the project should proceed straight away as it will provide immediate fiscal stimulus to the region.

Are there other factors to consider?

48. We tendered the Omāroro project in a window of time after the Government decisions to reduce investment in roading were made and about the time the main structures on Transmission Gully were being completed. We hoped contractors would be interested in this job because while it is a significant regional project, it is not significant on a national basis. As it turns out, the decision was a good one because once the tender was closed, the Government announced a major infrastructure package in January 2020.

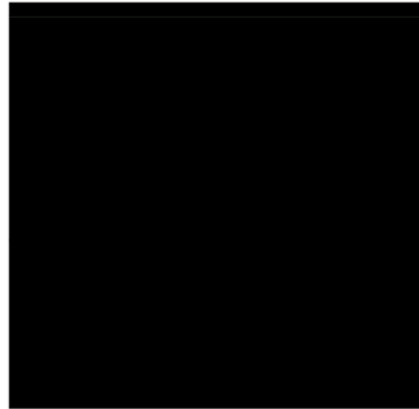
[REDACTED]

51. The advantage of proceeding with this project now is that we have a nationally competent structures contractor staying in the region who could well build "shovel ready" projects.

The Omāroro Project is a Significant Regional Project

- 52. The three waters networks have become much more visible to both Central Government and Local Government in the aftermath of the Havelock North drinking water failure. The Government has legislation in the House for a national drinking water regulator.
- 53. Proceeding with this project now confirms WCC’s commitment to providing the very best services to our residents, and provides confidence in the future of Wellington. It will be a foundation project for the new Council to approve and show Wellingtonians critical infrastructure is at the heart of the Council’s core role. It will also demonstrate Council’s desire to reduce the impact of the Covid-19 virus lockdown by providing fiscal stimulus which will flow through to sub-contractors and suppliers to the project.

Attachment A:
February 2019 Level 3 Estimate



Attachment B
Updated April 2020 Level 5 Estimate



STRATEGY AND POLICY COMMITTEE
21 MAY 2020

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Attachment C
Omāroro Reservoir Business Case

See attached document

Item 2.2 Attachment 1

Item 3.1 Attachment 1

Commercial in confidence

Business Case – Omāroro Reservoir

A resilient water supply for Wellington CBD:
providing for growth, operational resilience and natural
disaster readiness





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COMMERCIAL IN CONFIDENCE



Executive Summary

An adequate supply of safe drinking water to the CBD is fundamental to the City and Region

The day-to-day functioning, prosperity, and growth aspirations of Wellington City rely on an adequate supply of safe and healthy drinking water. This is especially the case for the City's CBD – the primary driver of the City and the region's economic activity and also home to around 70,000 people (a number that essentially doubles during business hours).

Existing supplies are insufficient to meet operational and seismic resilience requirements, and to accommodate forecast growth

The existing water storage infrastructure that serves the CBD and critical infrastructure such as Wellington Regional Hospital is insufficient to meet operational and seismic resilience requirements, and has no capacity to meet the significant increase in population growth that is now expected. A loss of supply to the CBD during normal operation, or the unavailability of water after an earthquake would have a significant economic impact and create a public health and sanitation risk for all of the CBD's residents, workers and visitors.

The new Omāroro Reservoir addresses all of these shortcomings

Omāroro is a new drinking water storage reservoir proposed and planned to be built in Prince of Wales Park, Mt Cook to service the CBD and surrounding area.

- **Reducing the risk of a loss of supply due to asset failures or water quality events:** Omāroro addresses a significant deficit in safe drinking water storage within the CBD and provides additional operational flexibility, significantly reducing the level of risk for loss of supply due to unforeseen circumstances. A pipe failure in 2017 highlighted that such events are possible and the potential risk and impact will increase as growth progresses. A loss of supply, or the significant water use restrictions to prevent it would have an estimated economic impact of \$70- \$100 million per day.
- **Enabling expected growth:** Omāroro will support forecast population growth of up to 46,000 people (68%) by 2066 while being sized to reflect anticipated improvements in water use efficiency and demand management over that period.
- **Essential to the CBD and Hospital's earthquake response and recovery:** Omāroro forms a key part of the planned response to delivering an emergency water supply to the Wellington CBD and critical customers such as the Wellington Regional Hospital in the event of a major earthquake or other natural disaster. A resilient water supply for the CBD is a 'must have' to ensure the City can respond to and recover from a major quake. A significant earthquake capable of causing damage to infrastructure and the environment is likely within the lifetime of the reservoir.

The project is aligned with national and regional lifelines strategies

The construction of the Omāroro reservoir is a key investment within the Wellington region's Lifeline Utilities Project – the investment programme across all lifeline utilities to prepare the City and the region to respond to and recover from a major earthquake. That Project was established



under the direction of central government out of their concern for the potential impact of such an earthquake on both the region and the nation.

The project is part of Wellington City's Resilience Strategy and Long Term Plan

The project is also part of our Water Supply Resilience Recommended Programme of works. This programme was endorsed by all of our client councils, including Wellington City Council (WCC). Relevant aspects of the programme, including this reservoir, were then included in the WCC 2018-2028 Long Term Plan. The project is also consistent with WCC's Wellington Resilience Strategy – an overarching strategy covering a comprehensive resilience approach for infrastructure, people and places across the City, and with our obligations under the Civil Defence and Emergency Management Act 2002.

New water storage of this size and in this location is the best option available

Omāroro is the best option for delivering on the service outcomes. Alternative approaches such as demand management, distributed customer storage and tankering will not deliver the required outcomes, and other reservoir locations are more expensive and do not offer the same network configuration benefits.

Experienced, Tier 1 contractors have had input to the design, and tendered competitively

The project is currently in the procurement phase and a preferred contractor has been identified. The proposed costs are now understood to a high level of confidence and with well-defined contingencies. The costs have been developed using a Competitive Early Contractor Engagement methodology that has captured the benefit of the contractors' knowledge and experience into the constructability of the design while retaining a competitive process. The preferred contractor's proposed solution has been reviewed by a suitably qualified, third-party geotechnical engineer and the risk assessment has been reviewed by an independent procurement specialist.

The remaining project risks have been identified, allocated and costed The remaining project risks have been reviewed by both Wellington Water and the preferred contractor, and agreement reached on the share of risk that will be owned by each party in delivering the project. The most material of these risks relates to the ground conditions [REDACTED] and discussions are underway to see if this risk can be fully costed into the contract prior to commencement.

The project is managed by an experienced team using robust project management processes

The delivery of the project will be managed by an experienced team of project professionals with demonstrated experience in similar, large infrastructure projects with access to the full range of technical specialists. Recognised project management methodologies are being applied and appropriate governance is in place. The experienced team (including the preferred supplier), robust project management approach and well defined contracts should be expected to result in effective project delivery. Regular progress reporting will be provided to WCC.

Costs are \$9.9m over budget but can be accommodated within the overall capital programme

The total cost estimate and budget request is \$68.1 million, including the contingency allowance and delays in awarding the contract. This is an increase of \$9.9 million on the existing approved budget. The project can be accommodated within the existing budget allowance provided by



WCC in the 2018-2028 Long Term Plan for reservoir upgrades and renewals at this increased cost. This can be achieved by adjusting the timing of the project and its associated inlet and outlet pipeline and by a one-year delay of the planned Bell Road reservoir replacement project (Moe-i-te-Rā Reservoir). These timing changes can be readily managed through their being incorporated into the existing project management arrangements.

COMMERCIAL IN CONFIDENCE

Item 2.2 Attachment 2

Item 3.1 Attachment 1



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The Wellington CBD requires additional water storage

Wellington City's drinking water is supplied from Greater Wellington Regional Council's (GWRC) water treatment and bulk transfer pipeline network. The water is delivered to Wellington City Council's (WCC) primary water storage reservoirs, from where it is typically distributed to connected consumers by gravity. The water distribution occurs by 'water supply zone' (WSZ) with each WSZ being fed by one or more reservoirs.

The Wellington Low Level Zone (Zone) encompasses most of the Wellington CBD. Under normal operating conditions, the Zone is supplied from the Waterloo Water Treatment Plant via three existing reservoirs with a total capacity of 34.3 Megalitres (ML)¹.

The Zone's requirements are different from most other WSZs in the city as it serves both a residential population and all of the commercial and business activity of the CBD. The Zone's resident population of around 70,000 essentially doubles during business hours². The Zone also contains critical services such as Wellington Regional Hospital (and other hospitals) and is at the heart of central government activities.

The potential need for additional water storage for the Zone was first identified in the early 2000s and has been considered in a range of strategic assessments. The timeline of the project setting out these milestones is provided as Appendix 1.

The conclusion of these strategic reviews has been that the Zone has limited ability to continue to supply water through a major bulk water supply outage, and has insufficient water storage to meet resilience requirements following a major earthquake or other natural disaster.

Significant population growth is also expected within the CBD, further increasing the risk of loss of supply following events that disrupt supply to the Zone, and increasing the post-event resilience requirements.

Additional water storage is required to address these shortfalls, with the implications of each factor described in more detail below.

¹ Macalister Park, built in 1992 at 20 ML, Carmichael built in 1960 at 7.8 ML, and Aramoana, built in 2005 at 5.5 ML. A megalitre is one million litres, or one thousand cubic metres.

² The most recent published data, from 2013, had 127,000 workers employed in Wellington City. This number will have increased since then in line with GDP growth, and the majority will be employed in the CBD: <https://profile.idnz.co.nz/wellington/workers>.



Enabling growth

Capacity assessments show that the Zone has storage constraints that will restrict growth, reduce the level of service below specified requirements, and increase the risk of a loss of supply event.

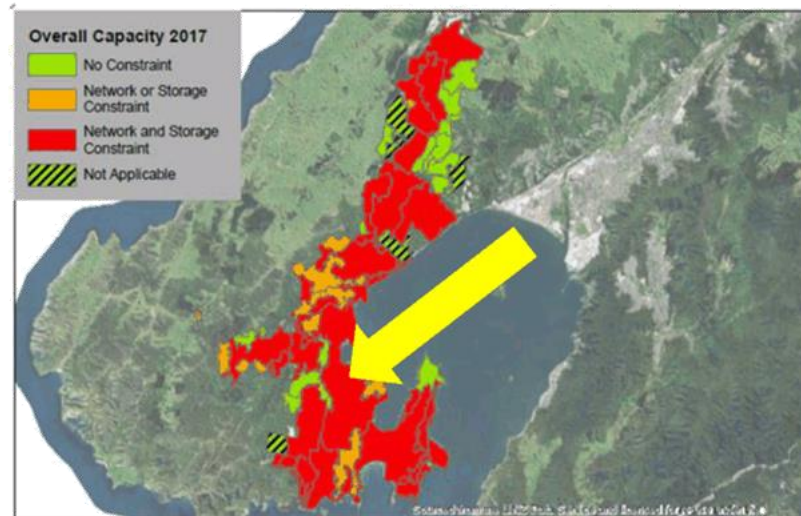


Figure 1: Wellington City’s water storage and supply capacity by zone as at 2017³. The Zone (as identified by the yellow arrow) has both storage and network constraints (red colour)⁴.

For modelling and design purposes we consider both Statistics NZ’s growth forecasts and independent projections. These are all based on census data and the analysis of other economic and social data⁵. We typically apply the Statistics NZ “high growth” forecast as this is an accepted and prudent approach for considering long-term infrastructure needs.

Current forecasts predict a significant increase in the population residing in the Zone, increasing the extent of the water storage constraints:

| Design parameter - growth | |
|---------------------------|-----------------------|
| Population served | 67,576 people in 2016 |

³ From NPS-UDC Three Waters Infrastructure Enabled Development Capacity, May 2019

⁴ Orange indicates one or other of storage or network constraints and green indicates no constraints. The extent of the constraints across the City means that investment is required to enable the expected growth to occur without compromising the required levels of service.

⁵ The forecasts do not consider constraints in the three waters networks.



| | |
|--|------------------------|
| | 113,000 people in 2066 |
|--|------------------------|

If this growth proceeds in the absence of an increase in drinking water storage it will increase the risk of reduced levels of service in the CBD (i.e. increased use of water use restrictions), increase the risk of a total loss of supply (see operational resilience, below) and make it more difficult to recover from an earthquake or other natural disaster.

Supporting operational resilience

General, day-to-day operational resilience is the ability to respond to system events and fluctuations in demand while still achieving the required Levels of Service. Fundamental to this is delivering continuity of supply – ensuring the city’s businesses, residents and critical customers have water when they need it. Without water the city’s activity would come to a stop and the risks to public health start to become significant.

Resilience to asset failures and outages

The vulnerability of the current system was highlighted in early 2017, following a major pipeline break in Featherston Street in the CBD. The failure resulted in the loss of supply to the existing Zone reservoirs for a number of hours, causing them to drop to alarming levels even with urgent requests to the public to conserve water. Additional storage increases the time available to respond these sorts of unexpected events.

Resilience to water quality issues

System events are not limited to asset failures. A key component of our ‘multi-barrier’ approach to preventing contaminated water from reaching our customers is our ability to isolate the bulk water system (that supplies the reservoirs) from the reticulation system (the reservoir and downstream network). This also enables the reticulated water to receive additional chemical treatment to further reduce the public health risk.

Network constraints resulting from how Wellington City has developed and its water supply has been adapted over time mean a direct supply to the Zone is required in addition to the existing storage to ensure that demand can be met. This significantly reduces time available and operational ability to respond to potential contamination due to unforeseen issues at the treatment plants or from the bulk supply network itself. Additional water storage increases the buffer available to address any water quality issues.

Enabling repairs and maintenance

The structure and composition of Wellington’s water supply networks, particularly the storage reservoirs, presents challenges with maintenance and renewals. For example, the reservoir at McAlister Park has never been taken off-line for service and cleaning in its nearly 30-years of service. It has not been possible to do this due to the risk of loss of supply to customers as a result of the very limited storage capacity of the remaining reservoirs. As the years pass without cleaning or maintenance, the likelihood of needed maintenance and repair will increase.

The inability to clean and maintain the reservoirs is linked to the system’s resilience to water quality issues. It heightens the risk of contamination through making it more difficult to isolate a reservoir and deal with any contamination before it reaches the public supply lines.



Additional storage enables the isolation of the Carmichael and McAlister Park reservoirs for routine maintenance and cleaning to be appropriately programmed.

Enabling connectivity and redundancy

We can reduce the system’s vulnerability by increasing the level of redundancy. The introduction of additional storage and the associated connections into the network can increase the flexibility of both the bulk water and water reticulation systems.

This additional connectivity and redundancy, and the ability to enable repairs and maintenance and provide resilience to outages and water quality issues can only be provided through bulk water storage in the network. Alternative approaches such as demand management, distributed customer water storage and bulk water tankering either cannot provide this flexibility or would do so at a significantly higher cost⁶.

Design requirements and deficits

The normal water storage requirements for a Zone are assessed based on two different scenarios. One of these relates to potential “within the day” operational requirements – meeting the maximum daily demand requirement (including firefighting). The other relates to providing a buffer to enable issues in the bulk water system to be addressed. For the latter, we assume two days of storage at average daily demand is required to allow sufficient time for operational crews to respond to a supply disruption or contamination event.

The specific design requirements and the associated key design parameters for the storage are set out in Appendix 2. The Zone is showing a deficit against all of the design levels that will get worse as the expected population growth progresses. The Zone’s deficit against each of the operational resilience requirements is set out in the table below:

| Year | Storage deficit (ML) | | |
|------|---------------------------|-------------------------------------|--|
| | Maximum within day demand | Bulk water outage buffer - baseline | Bulk water outage buffer – with water conservation |
| 2016 | 8.4 | 30.0 | 30.0 |
| 2066 | 35.6 | 73.3 | 28.5 |

i.e. in 2016, there was a 8.4 ML shortfall against the peak, ‘within day’ demand and a 30 ML shortfall against the target buffer for managing through a bulk water system outage. By 2066 these deficits are expected to increase to 35.6 ML and 73.3 ML respectively (or 28.5 ML for the bulk water outage, if significant demand management reductions have been achieved).

The table indicates that, for this Zone:

⁶ These options are discussed further under ‘Alternative options’ in the ‘Economic case’ section of this paper.



- the system would struggle today to meet the maximum within day peak demand scenario without some form of emergency demand management and will need to double the available storage to meet forecast growth⁷
- **there is only just over one day of storage available to meet average demand in the event of a bulk water outage.** This will reduce down to around 16 hours with forecast growth
- the storage volume would still need to nearly double to achieve the required storage buffer even in the event of highly successful customer water conservation initiatives.

Event likelihood

As part of understanding the necessity for investment it is useful to consider the likelihood of an operational resilience event occurring and the identified deficits being tested.

As noted above, in 2017 a pipeline failure in Featherston Street nearly resulted in the available storage being exhausted. As the age of these pipeline assets increases the likelihood of similar failures is likely to increase. The chance of similar events occurring in the future is **likely**.⁸ As growth progresses, the time available to respond to any such event will also reduce.

Within the last year there were at least three instances of reservoirs in the region where contamination was detected, requiring operational management. The chance of a similar event occurring in the future is **likely**.

Providing natural disaster resilience

Wellington City is vulnerable to the risk of a prolonged water supply interruption in the event of a major earthquake or other natural disaster (i.e. landslides, tsunami) as a result of the region's geography and water source locations.

The Wellington metropolitan region has three main water supply plants and the water network supplying Wellington City has long bulk water pipelines that cross known earthquake fault lines multiple times. A major earthquake could severely damage the pipelines and potentially also the water treatment plants,⁹ resulting in a shortage of water. Widespread damage of the reticulation network (the pipes that take water from reservoirs to taps) could also take many weeks to repair.

Based on current estimates, it could be more than 100 days before normal supply can be restored to the Zone. Storage within the Zone plays an important role in meeting the health

⁷ Measured usage indicates actual peak demand within the Zone can greatly exceed the calculated 'within day' demand. In this case the storage deficit, and risk of loss of supply would be even greater.

⁸ An increased focus on asset condition assessment will help to mitigate the risk of such events but the total length and extent of assets and ground conditions means that unexpected failures may still occur.

⁹ A range of seismic resilience-related improvements are being made to the treatment plants and bulk supply pipelines under GWRC's 2018-2028 Long Term Plan that are intended to help mitigate these risks. The risks to the reticulation network can only be mitigated through a long term programme of asset renewals.



needs of residents in such an event. The stored water, supplemented by water supplied from back-up sources, helps residents to meet their basic needs.

The Wellington Water Supply Resilience Recommended Programme

The need for additional water storage for Wellington’s CBD and the Regional Hospital was stressed through Wellington Water’s strategic case¹ for improving the resilience of water supply in the Wellington Region. That case identified the key problem statements (in summary) as:

- the network crosses numerous fault lines
- the network itself (including its water storage) is fragile and susceptible to breakage
- the linear configuration of the network provides no redundancy
- there will be disruption to other utility providers following an earthquake.

The case was endorsed by all of Wellington Water’s client councils in 2017 and funding was provided to enable the development of a programme business case to deliver a more resilient drinking water supply for the region.

The business case was developed with input from a range of relevant parties, including the client councils, critical customers, other utilities and the civil defence and emergency sector, and is summarised in ‘Towards 80-30-80’, our Water Supply Resilience Recommended Programme (Programme)^A.

Design requirements

The Programme sets out Wellington Water’s long term goal for the levels of service that we will provide in a major event: that 80% of residents will have 80% of their water needs within 30 days after the event. This is a 50-year vision, recognising the significant level of investment that is required to achieve this level of service. In the near term (i.e. until the 50 years of investment is completed the system is expected to provide the following levels of service):

| | | |
|-------------|------------------------|---|
| Days 0-7 | Emergency | People and business are self-sufficient, relying on their own stored water |
| Days 8-30 | Survival & Stability | Residents collect up to 20 litres per person per day (sufficient for basic comforts) from distribution points |
| From Day 30 | Restoration & Recovery | Provision of near normal reticulated water services commences for some locations and progressively expands |

These standards mean that the design requirement for resilient storage reservoirs is that they should provide 20-litres per person per day from day 8 following a major event. In addition to the storage required to provide for residents, stored water is required to support Wellington Regional Hospital^B and other critical users (see Appendix 2). The Zone currently has a deficit of storage when assessed against this design requirement.



| Design requirements – natural disaster storage | |
|--|--------------------------|
| Water storage | 29 ML deficit as at 2016 |

New storage reservoirs are designed to meet the relevant New Zealand codes and standards (see Appendix 2).

Event likelihood

GeoNet, part of GNS, publish forecast probabilities for large earthquake events in the Central New Zealand region. This region includes Wellington City. At the time of writing the forecast possibilities are:¹⁰

| Within the next | Earthquake magnitude range | Chance of occurrence | Best estimate |
|-----------------|----------------------------|----------------------|--------------------|
| Year | M7.8 or greater | 0.3% to 3% | 1% (very unlikely) |
| | M7.0 or greater | 2% to 14% | 6% (very unlikely) |
| Decade | M7.8 or greater | 2% to 20% | 7% (very unlikely) |
| | M7.0 or greater | 10% to 60% | 30% (unlikely) |

GNS has also calculated the average return period (or frequency) for large earthquakes in the region, based on the evidence of previous events. These return periods are based upon the intensity of ground shaking using the Modified Mercalli Intensity (MMI) scale - a globally recognised reference for assessing and comparing the impact of earthquakes. The calculated average return periods are:

| MMI Level | Average return period | Best estimate |
|-----------|-----------------------|---|
| MMI 7 | ~ 30 years (3%) | Difficulty experienced in standing. (As the 2016 Kaikoura earthquake was felt in Wellington) |
| MMI 8 | ~ 120 years (0.8%) | Severe shaking felt. |
| MMI 9 | ~ 400 years (0.3%) | Violent shaking felt. (2011 Canterbury earthquake) |

¹⁰ Source: https://www.geonet.org.nz/earthquake/forecast/central_nz as at 6 March 2020. The data is referenced to a start date of 15 November 2017.



| | | |
|--------|----------------------|----------------------|
| MMI 10 | ~ 1350 years (0.08%) | Extreme shaking felt |
|--------|----------------------|----------------------|

This indicates that a significant earthquake (i.e. at least MMI 7) can be expected within the lifetime of the new water storage infrastructure.

COMMERCIAL IN CONFIDENCE



The benefits of additional storage

The previous section has highlighted that the Zone has insufficient water storage to meet operational and earthquake (and other natural hazard resilience) and that the situation will become worse as growth progresses. The benefit of the additional storage is that it will mitigate the potential impact of any operational or seismic event.

The additional storage will also directly enable growth, but the associated benefits are essentially the same as the core benefits – it will reduce the need for water restrictions or prevent a loss of supply in an operational event, or will ensure that there is sufficient water available to meet the basic needs of the increased population in a major seismic event. An estimate of these benefits is set out below.

Impact of a short-term (hours to days) loss of supply

The total loss of water supply to the Zone, including the CBD and the hospitals, even of short duration, will have a significant impact on the function of the City. The supply of water is fundamental to public health and sanitation, and a lack of water would necessarily result in all activity having to cease. At best, some homes and businesses would still be able to function on a limited basis using stored water. Re-starting water supply after an outage would also have impacts as the system re-fills.

One way to estimate the potential scale of the impact is to consider the GDP generated by the City (on the basis that a total loss of supply would impact on all economic activity). The most recent GDP figure for Wellington City is \$26,169 million¹¹ or about \$72 million a day. Around 75% of this GDP is generated in the CBD.

As an alternative reference, modelling by Wellington Electricity, the electricity lines business that services the City, suggests that the loss of electricity supply to the metropolitan region of Wellington would have an impact of at least \$110 million per day¹².

Wellington Water has not undertaken any modelling or analysis to calculate the economic impacts of a loss of supply to its customers. This has typically been done by other lifeline utilities such as electricity to meet regulatory requirements, but has not been required for the water sector.

In the absence of any water-specific data, an **order-of-magnitude impact level of around \$70-\$100 million per day for a total loss of water supply to the CBD** appears to be a reasonable estimate. Significant water use restrictions to try and avoid a total loss of supply would also be expected to have an impact in the tens of millions of dollars.

¹¹ To end-December 2019, taken from:

<https://ecoprofile.infometrics.co.nz/wellington%20City/QuarterlyEconomicMonitor/Gdp>

¹² This is just the impact of the initial loss of supply, which is expected to be around 60% of total supply requirements. The number has been taken from their 'Earthquake Readiness' Business Case, dated 5 December 2017 (<https://www.welectricity.co.nz/disclosures/earthquake-readiness/>).



Impact of a longer-term (days to months) loss of supply

The consequences of the loss of water supply to the Zone and CBD from a major seismic event cannot be looked at in isolation. Such an event would impact across all of the lifeline utilities. The Wellington Lifelines' Project (Lifelines Project) concluded that an earthquake seriously affecting the Wellington region (including Wellington City) does not just impact the region's economy, but has an even greater negative economic impact on the nation. The major risk for New Zealand is that a large event will badly affect the Wellington CBD, which generates 77% of total GDP for Wellington City, 48% of total GDP for the Wellington Region, and 8% of national GDP.¹³

The Lifelines Project estimated that a magnitude 7.5 (M7.5) earthquake on the Wellington Fault Line would result in a loss to New Zealand's GDP over a 5-year period of approximately \$16 billion. This is just the economic cost and excluded recovery costs, infrastructure and building damage, and societal impacts.

If the full suite of preferred investment programmes (totalling \$3.6 billion) are implemented before the earthquake occurs, the expected economic loss over a 5-year period reduces to around \$10 billion (i.e. a \$6 billion reduction). That programme includes the Omāroro Reservoir as part of the 'Phase 1' initiatives to be completed in years 0-7. The programme will also provide the additional benefit of mitigating the impact of other possible seismic events or natural disasters.

The Omāroro Reservoir is as a "must do" investment within the proposed Lifelines Programme. If there is insufficient resilience in the water supply to the CBD it will not be possible for the City to respond and recover even if all the investment in areas such as transport and electricity is completed.

¹³ Wellington Lifelines Project – Protecting Wellington's Economy Through Accelerated Infrastructure Investment Programme Business Case', 4 October 2019: <https://wremo.nz/about-us/lifeline-utilities/>.



Strategic Case

Alignment to national and regional strategy

As noted above, the Wellington Lifelines Project has identified the targeted infrastructure investments required to mitigate the likely economic impact of a M7.5 earthquake on the Wellington Fault. The Lifelines Project noted that, due to Wellington's strategic importance, the proposed investment programme will also benefit the wider national economy.

The Lifelines Project is also consistent with central government strategy and objectives – it was jointly-funded by central government and was the last phase of a set of a central government-led initiatives to review the region's lifelines resilience in light of the impacts of the 2016 Kaikoura earthquake. The vulnerabilities identified in this review included:

- the high possibility that a significant seismic event would result in the Wellington Region being cut off from the rest of the country for a significant period of time (months)
- the large at-risk population
- the large number of critical central government processes that are completely or mainly reliant on functioning Wellington lifelines.¹⁴

The Lifelines Project has identified Omāroro as one of the region's and Wellington Water's prioritised investments for completion in Phase 1 of the initiative (years 0-7).

Meeting CDEM Act obligations

Local authorities and Lifeline Utilities' responsibilities in an emergency situation are outlined by the Civil Defence and Emergency Management Act 2002 (CDEMA). The CDEMA requires lifelines utilities to follow a systematic approach of reduction, readiness, response, and recovery (4 Rs) planning to discharge their responsibility of continuing to operate (albeit at a reduced level) following a major disruption.

The Omāroro Reservoir forms part of Wellington Water's response across the 4Rs – the new reservoir is designed to retain its integrity in a major earthquake (reduction) and forms part of our overall approach of moving from meeting basic needs (readiness and response) to the restoration of full services (recovery) after the event.

Alignment to Wellington Water strategy

The need for additional water storage for Wellington's CBD and the Regional Hospital was stressed through Wellington Water's strategic case for improving the resilience of water supply in the Wellington Region (as discussed in the earlier 'Natural disaster resilience' section).

¹⁴ From Appendix C of the Lifelines Project's business case.



The resulting Programme identifies that, in the absence of investment, Wellington CBD could be without safe drinking water for more than 100 days after a major earthquake. The 'New Initiatives' identified to address this issue include a new water reservoir to serve the CBD.

Alignment to WCC strategy and plans

The need for new water storage is also reflected in WCC's strategies and plans. WCC's current 10-Year Plan^C makes resilience and the environment a priority. The Plan notes that the Council has an obligation as kaitiaki (guardians) of the city to make its infrastructure more resilient. For water supply this includes adding storage capacity and making network improvements to support population growth and enhance the city's overall resilience.

The Plan's Statement of Service Provision includes the objective of increasing the security of drinking water and notes that a reliable, resilient and adequate supply of clean and safe water is critical for the health, wellbeing and prosperity of all residents. Omāroro is identified as a key project, with the objective of significantly reducing the time to restore water supply to the central city and Wellington Regional Hospital after a major event.

WCC's Wellington Resilience Strategy^D includes actions to ensure emergency water supply for Wellington Regional Hospital after an earthquake (action #26) and to invest in water resilience and awareness (#27). The latter action is proposed to be the scaling up of the "Towards 80-30-80" Programme.

Alignment with Wellington Water service goals

The provision of a new reservoir for Wellington CBD aligns with the following Wellington Water strategic service goals.

| | |
|--|---|
| | <p>We plan to meet future growth and manage demand Provision for future growth in the CBD – as discussed in 'Growth', above.</p> |
| | <p>We provide three water networks that are resilient to shocks and stresses The new storage will be designed to survive a significant shake. Together with our above ground emergency water system, we will be able to provide basic living requirements until the overall network returns to service. It will also provide critical customers, including the Wellington Regional Hospital, with safe water post-event.</p> |
| | <p>We provide safe and healthy drinking water Sufficient storage is provided in the system for safety and operational resilience.</p> |



Economic Case

Omāroro was added to the WCC 2018-2028 Long Term Plan in response to Wellington Water's 'Towards 80-30-80' Programme, which identified a shortfall in the supply of water to meet demand following a major event. While the 80-30-80 programme focuses on resilience against a natural and significant disaster, as noted earlier in this document, there is a notable shortfall in the supply of water to meet current needs, growth requirements, and the general operational resilience required of a well-functioning infrastructure network.

Reservoir storage capacity

The storage provides seismic and operational storage, including capacity to support firefighting, manage emergencies, meet diurnal demands, reduce supply risk in a contamination event or major outage, and meet the demands of future growth.

All reservoirs, including the new reservoir are assumed to be 70% full at the time of an earthquake event for the purposes of calculating the resilience storage requirements, reflecting normal fluctuations in operating levels and the typical location of reservoir inlet pipework.

As a result of the various analyses and reports completed to date, Wellington Water's Three Waters Decision Making Committee (Committee) confirmed that a volume of 35 ML, as initially proposed, is appropriate¹⁵. Omāroro enables:

- peak day demand to be met for at least 30 years of projected population growth. Demand management initiatives within this timeframe would enable additional growth to be facilitated
- operational water safety and plant outage resilience with 50 years of projected population growth with reasonable levels of demand management¹⁵ in place
- emergency safe drinking water supply post-seismic event for the Zone and its critical customers including Wellington Regional Hospital.

Alternative options

Demand Management

Water demand management is a combination of hard infrastructure, including network leakage reduction and other soft, community-focused programmes, including education and other initiatives intended to drive down the use of water by individuals, households and commercial and other extra-ordinary users.

Experience from across the global water sector shows that an intensified demand management programme is unlikely to deliver the required results within the required timeframe needed to

¹⁵ Customer demand management is one of the key components of our Sustainable Water Supply strategic programme. The programme is seeking an initial 10% reduction in gross per capita water demand within the two LTP periods commencing in 2021.



grow capacity or provide general or disaster resilience. As noted above, it is expected that a demand management programme will also still be required, both as part of the Sustainable Water Supply initiative and to ultimately enable the 50 year growth projection with this investment.

Distributed water storage

A key element of our water supply resilience Programme is that our customers should store sufficient water to meet their basic needs for the first seven days after an event. However, only a modest proportion of customers have stored sufficient water, the quantity stored for seismic resilience is not sufficient to meet normal demand, and the stored water is not integrated into the network so that it can be used directly in the place of the normal supply. The cost of ensuring that all customers had sufficient water and were integrated into the network would significantly exceed the cost of the bulk water storage reservoir.

Similarly, sizing Omāroro for the Zone's operational and growth requirements means that it also has sufficient storage to meet the seismic resilience requirements for the Zone and for Wellington Regional Hospital. Requiring the Hospital to invest in dedicated water storage would not reduce the required size for the Omāroro reservoir.

Alternative site options

Omāroro has been selected as the preferred site based on accessibility, size, location and height from sea-level (in order to facilitate gravity supply).

The choice of this location, and the assessment of criteria against alternatives, has been considered through technical assessments and confirmed through the Resource Consent process.

In 2011 an options assessment was undertaken to identify potential options and sites for a 35 ML reservoir serving the Zone. Ten potential sites were long-listed for consideration. Of these, four sites - Prince of Wales Park, Torquay Terrace, Government House and Carmichael Reservoir - were shortlisted based on an assessment of their constructability. A multi-criteria analysis (MCA) was then conducted on the short-listed sites, including criteria such as ability to integrate into the existing network, ability to satisfy environmental and other considerations under the RMA, public acceptability, and construction practicality.

The Prince of Wales (Omāroro) site was preferred because of its location within the drinking water distribution network, relatively low excavation requirements compared to alternative locations, comparatively favorable environmental setting, and estimated cost relative to the other locations. A component of the costs for Omāroro includes the need for the reservoir to be buried to meet the planning requirements associated with development within the Town Belt.

As an operational resilience measure, the introduction and integration of Omāroro reservoir enables direct supply to each of the Zone's reservoirs, and for isolation of each so that unforeseen contamination identified through testing or other means can be appropriately contained and managed. It will also allow supply of water to the Zone without the need to maintain the direct connection from the bulk water supply.

The options assessment and preferred site selection is detailed in the MWH Report – Proposed CBD Reservoir Options, 24 March 2011⁶.



A further review of site options and evaluations to date was completed and accepted as part of the Notice of Requirement (NoR) consent process. The independent hearing commissioners for NoR accepted that the Prince of Wales Park site was the best option, and endorsed the options evaluation in their decision to recommend that consent be granted:

'Considering the importance of the water supply network and the size of the investment in a large reservoir, it is prudent to go through a rigorous examination of potential sites. From our reading of the evidence we consider that the various reports, and Mr Spargo's peer review, lead us to the conclusion that the analysis of alternative sites has been robust, fit for purpose and has applied sensitivity testing to challenge the outcomes of an analysis of alternatives.'

Comparison to the 'status quo' (i.e. the 'do nothing' option)

In the absence of a new water storage reservoir in the Zone, the CBD will continue to be supplied by the three existing reservoirs and the direct connection. The consequences of this, including the compounding impact of growth, are set out earlier in this document.

Comparison to the likely counterfactual

System outage or water quality issue

In the event of an outage or water quality issue in the existing system that was expected to result in the demand exceeding the water available from the existing reservoirs, the most likely approach would be to call for customers to reduce demand and to make arrangement for bulk water to be delivered to the reservoirs using trucks with water tanks.

Achieving customer demand reductions relies on the effectiveness of the communication and the willingness and ability of customers to respond. A relevant comparison is the response of customers to the request to reduce water demand to avoid wastewater discharges into the harbour following a wastewater pipe failure in late-December 2019. The observed reduction was less than 3% (and within typical day-to-day demand variability).

The effectiveness of tankering will be dependent upon the extent of customer demand reductions and the duration of the outage. Meeting average daily demand would require 3,200 tanker loads, or more than 130 loads per hour. This is not possible to achieve in practice, even if enough trucks were available. It would also be dependent upon the availability of bulk water supplies, which may also be influenced by the nature of the outage event (i.e. is bulk water available? If so, what is the nearest available filling point?). The tankering that is practicable will also likely cost hundreds of thousands of dollars per day.¹⁶

In summary then, the counterfactual would see customers having to make significant reductions in water demand that will constrain their ability to maintain normal functions. The economic

¹⁶ The 24/7 tankering of wastewater sludge due to the failure of the sludge transport pipeline at Mt Albert is costing around \$2.5 million per month. The number of truck movements is lower than would be required for the drinking water scenario. The tankering of drinking water also requires special precautions to ensure water safety.



impact could be of a similar order of magnitude to that for a total loss of supply, especially when the costs associated with attempting to maintain supply are included.

Following a major earthquake

The 'Towards 80-30-80' Programme is based upon customers storing sufficient water to meet their basic survival needs for the first 7 days after a major earthquake, with the bulk water reservoirs and back-up water sources becoming available to meet basic needs from day 8.

There is an existing seismic storage deficit of 29 ML (see the section 'Providing natural disaster resilience' above). This means that there is insufficient water available to supply the hospital and to meet the basic needs of residents unless additional water can be supplied into the Zone. The risk to public health will increase significantly and the chance of a successful recovery will be significantly reduced. The ability to supply additional water into the Zone will be influenced by the state of the available infrastructure, especially the roading network and the bulk water supply network.

It appears highly unlikely that the counterfactual will enable the required response and recovery outcomes to be achieved, increasing the likelihood that the worst case scenario identified in the Lifelines Resilience Project will be realised (\$16 billion impact versus \$10 billion impact).

COMMERCIAL IN CONFIDENCE



Commercial Case

The detailed design of the reservoir was completed in July 2019. The proposal at the time was to go to the market with a lowest conforming price methodology. However, feedback from the contractor market was that, due to contractor workloads and their current state of risk aversion, we were less likely to secure a competitive price using this approach. The Omāroro project involves complex engineering and construction methodologies that increase the project design and construction risk and warrant an alternative procurement approach.

Wellington Water has applied a range of mitigations to ensure these risks are appropriately managed, most notably through adopting a Competitive Early Contractor Engagement (ECI) methodology. This methodology utilises the experience and knowledge of skilled contractors to challenge the constructability of the design and improve value by reducing estimated project costs, while also retaining the benefits of a competitive price for the work.

Stage 1 – approach to recognised Tier 1 contractors

A "Statement of Interest and Ability" was sought from contractors in September 2019. Five Tier One contractors responded: Brian Perry Contractors, Downer, Fulton Hogan, HEB and McConnell Dowell. After a review of their submissions and interviews, Downer and HEB were selected to participate in the subsequent Value Engineering Process and submit Tenders.

Stage 2 – identify cost efficiencies through value engineering

The two selected contractors have worked with our design engineers and project team to thoroughly understand the requirements for the project and provide value engineering proposals¹⁷. The design has been modified as a result of the contractors' inputs and then priced competitively. Both contractors also submitted alternative designs with the benefit of understanding the base design's requirements and limitations.

Stage 3 - Award contract (competitive tender with independent review)

Five offers were received from the two tenderers. Each contractor submitted a tender for a conforming design, one provided a tender with further value-engineering opportunities, and both provided alternative design-build offers of their own.

Our evaluation of the offers included assessing both price-based and non-price attributes. The evaluation included a technical review of each of the five design proposals and the review of the contractors' assessments and valuation of risk. The technical review included an independent analysis of each design by a suitably qualified, third-party geotechnical engineer, and the risk assessments were reviewed by an independent procurement specialist.

Once the technical reviews and risk assessment were complete, prices were viewed and a report produced detailing the reviews and assessment, and a preferred tender recommended. This

¹⁷ "Value engineering" involves a review of the proposed design to identify opportunities to achieve the same outcomes at lower cost, or to remove design elements that do not contribute to the desired outcomes.



process concluded in January 2020 with a recommendation that was endorsed by the Wellington Water Board in February 2020.

Robust project management to ensure effective delivery

In addition to an experienced, Tier 1 contractor, the project team also includes highly experienced project management staff within Wellington Water, supported by specialist engineering consultants. Wellington Water’s project team have all successfully delivered infrastructure projects of this size and complexity in the past.

The project will also apply recognised project management disciplines and processes, including appropriate project governance.

The combination of the experienced team, a robust project management approach and well-structured and defined contracts is expected to result in effective project delivery. Regular progress reporting will be provided to WCC during the project.

COMMERCIAL IN CONFIDENCE



Financial Case

We are required to fund all capital projects within the annual budget allocated by each client council. Any changes to cost estimates require the programme for the delivery of projects to be adjusted so that overall costs remain within the total annual budget.

Residual risk and contingency

The project risks have been reviewed by both Wellington Water and the preferred contractor, and agreement reached on the share of risk that will be owned by each party in delivering the project. The risk share is defined by the contract and there is general agreement of this risk apportionment. The most significant risks that will remain with Wellington Water are:

- ground conditions, in particular variances in soil and rock properties, and contaminated material
- adverse weather
- availability of water for testing.

While ground investigations have been undertaken to inform the design, there is a risk that soil and rock conditions vary sufficiently that the design needs to change. The preferred contractor has now provided the range of conditions within which there would be no change to the design. This has provided clarity to define the value of risk Wellington Water owns and has been used to inform the probability value.

The preferred contractor has been asked to provide a price to take ownership of the ground condition risk but will not be able to provide a response until late March 2020.

The contingency that needs to be budgeted in addition to the contracted value is [REDACTED]. The delay in awarding the contract in March has been to add a further \$1.0 million. The total project costs including the contingency and delayed contract award is \$68.1 million. This is \$9.9 million (17%) greater than the budget approved by WCC on 18 March 2019.¹⁸

The increase relative to the approved budget is due to changes to the design approach to reflect a recent update in international best practice for seismic geotechnical engineering. This change in approach resulted in larger structural elements than in the design used in setting the budget.

Programme Change

To ensure we remain within the annual budget allocated by WCC we propose to re-programme the proposed works as detailed in the table below.

¹⁸ The March 2019 budget was, in turn, an increase on the budget originally included in the 2018 LTP. The March 2019 budget increase reflected a combination of scope omissions and cost inflation. As the project has progressed the level of uncertainty in the costs has reduced. The new costs reflect a fixed price contractual agreement with known contingencies. A full history of the project costs is provided as Appendix 3.



| Financial Year | Total | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Council Approved Change (March 2019) | | | | | | | |
| Wallace Street Pipelines | 15.00 | 7.00 | 8.00 | | | | |
| Omaroro Reservoir | 43.20 | 1.40 | 8.00 | 14.30 | 14.30 | 5.20 | |
| Total | 58.20 | 8.40 | 16.00 | 14.30 | 14.30 | 5.20 | 0.00 |
| Current Estimate | | | | | | | |
| Wallace Street Pipelines | 15.00 | 1.10 | 12.40 | 1.50 | | | |
| Omaroro Reservoir | 53.10 | 1.30 | 0.80 | 12.90 | 25.30 | 12.80 | |
| Total | 68.10 | 2.40 | 13.20 | 14.40 | 25.30 | 12.80 | 0.00 |
| Approved Budget vs Current Estimate | 9.90 | -6.00 | -2.80 | 0.10 | 11.00 | 7.60 | 0.00 |

The impact of the programme change and increased cost in FY22/23 will be accommodated by delaying the Moe-i-te-Rā reservoir (Bell Rd Reservoir replacement) project by approximately twelve months. Construction of this project will be scheduled to commence in July 2023 after Omāroro has been completed.

The impact of a delay in Moe-i-te-Rā reservoir is considered minor, with that project currently under review. The benefits from the construction of Omāroro reservoir are considered to be greater than the costs and consequence of the delay in constructing Moe-i-te-Rā reservoir.

Current project financial status

As at March 2020, construction of Omāroro's inlet and outlet pipelines, together with other nearby three waters pipelines (total project cost \$15.0M) is estimated at 65% complete and \$5.0M has been invested in the development, consenting and detailed design of the reservoir itself.



References

The following documents have been referred to in the Business Case text:

- A. Strategy - Towards 80-30-80 Water Supply Resilience Recommended Programme (2017)
- B. Memo - Capacity Infrastructure Services to Wellington City Council (22 November 2010)
- C. WCC Long-term Plan, 2018-2028 (<http://ltp2018.publications.wellington.govt.nz/>)
- D. WCC 'Wellington Resilience Strategy', 2017 (<https://wellington.govt.nz/about-wellington/wellington-resilience-strategy>)
- E. Three Waters Decision Making Committee Paper – Hospital Prince of Wales Reservoir Capacity (21 July 2016)
- F. Three Waters Decision Making Committee Minutes – Hospital Prince of Wales Reservoir Capacity (21 July 2016)
- G. Report – Proposed CBD Reservoir Options Assessment (24 March 2011)
- H. Notice of Requirement and resource consent application:
<https://www.wellingtonwater.co.nz/publication-library/pow-wcc-notice-of-requirement/>
<https://www.wellingtonwater.co.nz/publication-library/pow-rcapplication-gwrc/>
<https://www.wellingtonwater.co.nz/publication-library/prince-of-wales-reservoir-omaroro-reservoir/>
- I. Strategy – Water Supply Resilience Strategic Case (2015)
<https://www.wellingtonwater.co.nz/dmsdocument/125>



Appendix 1 – Project timeline

- 1970's A new reservoir is proposed near Prince of Wales Park in the Town Belt as a replacement for a reservoir that was approaching the end of its useful life.
- 1988 Brickell Moss carried out a Scheme Option Assessment for Wellington Low Level Zone Water Storage assessing various site options for one or more reservoirs at 20ML capacity. As a consequence of this assessment WCC constructed a 20ML reservoir at Macalister Park in the town belt.
- 2002 Population increase, identification of the need for emergency storage for the Wellington Regional Hospital in Newtown, and GWRC's desire for additional buffer storage for effective operation of the bulk water supply led WCC to further investigation of sites for a 35 ML reservoir. Technical investigations were initially focused on four sites on the Town Belt including above Government House, Chest Hospital, Alexandra Park and the existing Bell Road reservoir.
- 2004 SKM is engaged to undertake preliminary investigations to determine a suitable site for the reservoir. Their report identifies the Prince of Wales Park as the preferred option, noting that a volume of 35 ML could be accommodated on the site. At that time it was proposed that the project be jointly funded by WCC, GWRC and Capital and Coast District Health Board (CCDHB), with the total additional storage required potentially up to 56ML^A.
- 2010 GWRC advised that additional storage was no longer needed to provide operational capacity within the network as the result of an upgrade of the pumps at the Waterloo treatment plant. CCDHB advised they would no longer commit to funding the reservoir. The required reservoir volume was reviewed and 35ML was agreed with WCC as an appropriate storage volume for the site.
- 2011 MWH commissioned by Capacity Infrastructure Services (Capacity) to review all available site options and identify the preferred location for the 35 ML reservoir. Their report confirmed Prince of Wales Park as the preferred site location following completion of a thorough short listing and multi-criteria analysis (MCA) approach.
- 2012 Capacity issued a Request for Tender for preliminary design of the reservoir on behalf of WCC and awarded the work to CH2M Beca Ltd. The preliminary design report was completed in May 2013 and the project was subsequently put on hold.
- 2014 Wellington Water established and took over responsibility for developing and delivering the reservoir from Capacity.
- 2015 Wellington Water completed the Water Supply Resilience Strategic Case. This case sets out the strategic context for investing in improvement of the water supply network. A new reservoir at Prince of Wales Park was identified as a critical project in the



subsequent programme business case 'Towards 80-30-80'. The reservoir project resumed in 2016 to progress to detailed design and construction stages.

- 2016 A further review of the required volume of the reservoir was carried out. Wellington Water's 3 Waters Decision Making Committee¹⁹ confirms the proposal aligns with Wellington Water's strategic outcomes and required levels of service and that the reservoir's capacity should be 35 ML.
- 2017 A licence under the Town Belt Act is secured to allow the project to be constructed in the Wellington Town Belt. A Notice of Requirement (NoR) was lodged in September 2017¹¹. As part of this consenting process, a thorough review of all available alternative options was carried out that concludes the reservoir is the most cost effective and best practicable option available (supporting the similar recommendation from MWH's 2011 report).
- 2018 An independent panel of commissioners recommends the NoR be approved and supports all of the proposed consent conditions.
- 2018 WCC confirms community support for the project through consultation on the 2018-2028 Long Term Plan (LTP) and includes Omāroro Reservoir in the capital works programme.
- 2019 March – WCC agree to an increase in funding following a review of the cost estimate to accommodate significant construction price increases.
- November - Wellington Water commences procurement process for design and build of the Omāroro Reservoir.
- 2020 February - Wellington Water recommendation of preferred contractor to Board.

¹⁹ This committee is an internal Wellington Water committee that considers and affirms the technical approach to all major investments. Its membership is primarily Chief Advisors and relevant subject matter experts.



Appendix 2 – Design and performance requirements

Level of service requirements

| Design Criteria | Design Standard | Reference |
|-----------------------|--|---|
| Design Life | 100 years | Regional Standard for Water Services 2019, Clause 6.2.1 |
| Seismic resilience | Designed to Importance Level 4: Ultimate Limit State (ULS): 1:2,500 year ARI Serviceability Limit State (SLS): 1:1,000 year ARI | AS/NZS 1170.0:2002 |
| Storage capacity | To achieve* the maximum of: a. 2 x Average Daily Demand (ADD) b. Peak Day Demand (PDD) + 20% + Fire Flow allowance as per SNZ PAS 4509 c. The seismic requirements (see below) *actual volume required to include appropriate consideration of site constraints, projected population growth and assumed future demand management. | Regional Standard for Water Services 2019, Clause 6.2.8.2 Table 6.2. Note: the 2016 RSWS was updated to these criteria based on independent review of international best practice. |
| | Resilience requirements for in-zone supply following a significant seismic event: a. Ability to meet basic Level of Service requirements: <ul style="list-style-type: none"> Supply of 20 litres per person per day to all residents in-zone over days 8 to 30 following a significant seismic event (i.e. the survival and stability state). Supply of allocated water quantities to Tier 1, 2 and 3 Critical Customers (including schools, aged care facilities, medical centres, lifeline utilities etc.). b. Ability to service economic Level of Service requirements: <ul style="list-style-type: none"> Supply of water into the reticulation network for fault finding and repair before Day 31 after a major seismic event. c. Ability to supply economic Level of Service requirements: <ul style="list-style-type: none"> 80% of normal demand supplied to 80% of users (businesses and residents) beginning on Day 31 after a major seismic event. | Towards 80-30-80 |
| Water supply pressure | Reservoir to provide gravity flow to supply zones (also enables continuity of supply in the absence of power supply ³) | - |

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Key design parameters

| Design Parameter | Design Values |
|--|---|
| Population served | 67,576 people in 2016 113,000 people in 2066 |
| Average Daily Demand (ADD) | 32 ML per day in 2016 |
| Assumed demand management (for comparison) | Per capita consumption decreases at 1% per year for first 50 years then remains constant |
| Seismic storage required for critical customers | 29 ML is the total requirement needed for critical customers through emergency and survival and stability states. |
| Assumed total water storage level at time of seismic event | 70% |
| Water supply pressure | The reservoir needs to be located with a 'top water level' of around 92 metres to maintain a system pressure consistent with the existing reservoirs in the Zone. |

Item 2.2 Attachment 2

Item 3.1 Attachment 1

COMMERCIAL IN CONFIDENCE

Commercial in confidence

Appendix 3 – Project cost history

The table below sets out how the expected cost of the project has changed over time, and the reasons for the changes.

| TIME | COST LEVEL | COST ESTIMATE | BASIS OF ESTIMATE | PURPOSE | ACTIVITY |
|-----------|------------|---------------|--|---|--|
| Oct 2012 | 3 | \$17.9M | "Parametric" pricing based on; <ul style="list-style-type: none"> • Similar reservoirs | Comparison of options as part of option selection process | <ul style="list-style-type: none"> • Establishes baseline for LTP |
| May 2017 | 3 | \$29.5M | Update of 2012 price plus; <ul style="list-style-type: none"> • Overheads • Construction price increase • Consultants project management cost • Contingency to reflect only Level 3 estimate • Scope change of removing surplus excavated material off site | Inform 80-30-80 | <ul style="list-style-type: none"> • Used to inform 80-30-80 strategy • Consultation commenced with local community • Value presented to Audit NZ |
| Apr 2018 | 3 | \$40.9M | Update of 2017 pricing plus; <ul style="list-style-type: none"> • Consultants design cost • Construction price increase | Inform 2018-28 LTP | <ul style="list-style-type: none"> • Update to inform LTP |
| June 2018 | 3 | \$49.2M | Schedule of quantities from preliminary design plus; <ul style="list-style-type: none"> • Construction price rates • Construction methodology • Legal and comms • Risk and management fee | Level 3 estimate prior to consenting phase | <ul style="list-style-type: none"> • Value used to inform 2019 annual plan |
| Dec 2018 | 3 | \$58.2M | Update of June 2018 price plus; <ul style="list-style-type: none"> • Construction price increase • Tender price for Wallace Street | Update of June 2018 value | <ul style="list-style-type: none"> • Value provided as WCC update to June 2018 briefing following unexpected increase in Wallace Street pipeline tender values |
| Jun | 4 | \$66.7M | Update of June 2018 price plus; | Level 4 estimate at completion | <ul style="list-style-type: none"> • Completion of detailed design phase |



| | | | | | |
|----------|-----------|---------|---|--|---|
| 2019 | | | <ul style="list-style-type: none"> Increase structural elements in response to change in methodology for assessing soil loading on buried structures | of detailed design | |
| Feb 2020 | Tender | \$66.9M | Tender price plus contingency | Establish project budget for tender negotiations | <ul style="list-style-type: none"> Completion of tender phase |
| Apr 2020 | Pre Award | \$68.1M | Post tender negotiations plus impact of delayed start | Agreed project cost estimate including contingency | <ul style="list-style-type: none"> Completion of procurement phase |

COMMERCIAL IN CONFIDENCE

Item 2.2 Attachment 2

Item 3.1 Attachment 1

PUBLIC HEALTH BYLAW (APPEARANCE INDUSTRY) INTERIM REPORT BACK

Purpose

1. This interim report back asks the Strategy and Policy Committee to note progress towards the development of a bylaw to manage the health and hygiene risks in beauty salons and other appearance industry businesses. The paper outlines recent progress made by the Hutt City Council in regulating the industry as a regional approach to regulation is advantageous. It outlines the implementation and ongoing costs to establish the needed public health oversight in this area.

Summary

2. City Strategy Committee agreed to progress towards a public health bylaw for the appearance industry in June 2019. Officers have undertaken some pre-engagement and also examined the Hutt City Council and Auckland Council work to date. There is a strong case to regulate the appearance industry by way of a bylaw in the absence of central government setting enforceable minimum standards at a national level. Regulation of the industry is supported by the New Zealand Association of Registered Beauty Professionals and the New Zealand Board of Professional Skin Therapies.
3. Having enforceable standards in place for the industry would provide more assurance to the general public that operators have an understanding of basic infection control practices. The operators falling within the scope of a public health bylaw for the appearance industry will have experienced significant revenue impacts as a result of COVID-19. While these businesses will need time to recover and consolidate with ongoing COVID-19 related restrictions, like hairdressing, the pent up demand for services is high.
4. The industry includes a range of different service types, equipment, operator qualifications and practices and different levels of accompanying public health risk. Further consideration is required around which service types should be included within the bylaw, whether there are procedures that should be restricted entirely and also where there should be operators who should be exempted from requiring a licence.
5. The implementation and ongoing costs of a new public health bylaw have been estimated. Funding of \$257,775 in 2020/21 would enable the resources for the establishment work (industry liaison, training, code of practice development etc) to take place. This timeframe also provides the opportunity to align with Hutt City Council's work to date and potentially be part of Auckland Council's code of practice review work.

Recommendation/s

That the Strategy and Policy Committee:

1. Receive the information.
2. Note that in June 2019, the City Strategy Committee agreed by resolution to progress towards the development of a public health bylaw for the appearance industry.
3. Note that Hutt City Council's progress on a draft bylaw for the appearance industry has been impacted by COVID-19.
4. Note that work is continuing on the development of a public health bylaw for the appearance industry and public consultation could commence in November/December 2020.
5. Note that funding the costs of a new public health bylaw within the existing public health team budget is not possible.
6. Agree to recommend to the Annual Plan/Long-term Plan Committee that pre-implementation costs of \$257,775 (100% general rates funded) be included in the 2020/21 annual plan deliberations.
7. Note that if a bylaw is agreed to by April 2021, implementation would take place from July 2021.
8. Agree to recommend to the Annual Plan/Long-term Plan Committee that 2021/22 (\$258,750) and outyears costs (\$212,750) will be incorporated into the 2021 Long-term Plan process.
9. Note that final fee setting will take place following agreement to the bylaw and through the planning process for 2021/22

Background

6. Central government has not set national enforceable minimum standards for the appearance industry. The Health Act 1956 (Section 64) enables local authorities to pass bylaws to improve, promote or protect public health. Approximately 12 of the 67 territorial and unitary councils in New Zealand have bylaws in place for some or all of the services within the scope of the appearance industry.
7. A remit was passed at the Local Government New Zealand AGM last year calling for national regulation of the beauty industry. LGNZ officials are intending to meet with the Minister of Health to discuss this. Officers are of the view that even if the Ministry of Health made this work a policy programme work priority following a return to normal after COVID-19, actual legislation would be several years away.
8. In June 2019, as part of the consideration of the Public Health Bylaw (Public Pools), Councillors discussed the need for regulation of the appearance industry and agreed to progress towards development of a bylaw to manage health and hygiene risks posed by appearance industry businesses.
9. Officers proposed a report back to Councillors on the Hutt City bylaw development process and options to join a regional approach to guidelines or a code of practice when the Hutt City approach was further progressed. Hutt City Council had hearings of

submissions on their draft bylaw cancelled in late March due to the COVID-19 response.

10. Prior to COVID-19, officers conducted some issues and implementation options analysis, costings work and initial pre-engagement with industry.

Issues analysis

Nature of the industry in Wellington

11. In Wellington City in 2019, the Hair and Beauty services sector contributed \$70.4 million per annum to Wellington City GDP of \$25,714 million (0.27%). In 2019 this service area employed 979 staff in 258 businesses. This compares to 2014 when there were 237 businesses employing 914 staff (source: Infometrics). This growth was possibly a function of population growth and some new, observable increased demand for services such as nail salons and barbers.
12. The appearance industry is made up of a number of different services and providers. In 2019 there were approximately 90 beauty salons offering nail services salons; 36 beauty salons providing a range of other treatments; 17 tattooists, seven cosmetic tattooists; three skin piercers (excludes already licensed pharmacy-based piercers).
13. Across these services, there will also be a number of home-based and mobile operators that may not be easily identifiable through an online search.
14. Close contact services in general will be impacted by a loss of revenue through the COVID-19 lockdown. The long-term economic impacts of COVID-19 are likely to have an ongoing effect on the level of household discretionary income available for appearance industry services. However, anecdotal evidence during Level 2 is that demand for services is continuing.

Evidence of harm

15. The types of harm from services that involve contact with the body include risks of infection, disease and injury.
16. Needles or other sharp instruments used to penetrate the skin will be contaminated by blood. These can carry blood-borne viruses including HIV and hepatitis B and C. If tools are then reused and not sterilised properly these viruses can be transferred to other people. Bacterial and fungal infection can also be transmitted through contaminated products, water or tools.
17. A risk of injury arises from services which apply pressure to or penetrate the body. This includes by using hands, water, heat, laser light or sharp instruments such as knives and needles. These risks can be minimised by ensuring those providing services are competent and the equipment or tools they use is correct and of suitable quality.

18. There is also the possibility of carcinogenic risks presented through ultra-violet light used in sun-beds; chemical exposure during manicure and pedicure treatments and heavy metals contained in certain tattoo inks.¹
19. The evidence base suggesting there is a need for some local government intervention in the appearance industry is considered strong and comprises:
 - Regional Public Health survey into nail services in Wellington region (2018) which showed a low level of awareness of infection prevention and control measures;
 - Prosecutions and investigations by other regulators (Health and Disability Commissioner, WorkSafe, Ministry of Health);
 - Complaints of significant health impacts made to industry bodies at a national level (for example first and second degree burns, cornea burns, fungal and infectious disease transmission, permanent pigmentation damage, abrasions);
 - ACC data shows a relatively small number of claims and associated costs due to injury in the appearance industry, but there have been significant increase in the cost of claims in the manicure/pedicures area in the last two years; and
 - Feedback from operators within the industry on the training and experience required to operate safely and their observations that this is not guaranteed throughout the sector.
20. The New Zealand Board of Professional Skin Therapies noted that it is difficult for people to know who to complain to and any avenues for redress if harm is caused. Wellington City Council had no recorded complaints in the last year in relation to nail salons, beauty therapy or tattoo studios but that is likely to be because there is no bylaw in place. Importantly, consumers have expectations that operators will be following basic standards of health and hygiene in relation to the services being offered. However, there is also a strong tendency for consumers to be price driven and seek out low price services.
21. It is difficult to estimate the proportion of businesses that would not be fully compliant with basic minimum standards at present. However, based on feedback from engagement to date and the Regional Public Health analysis of the variation in performance of low price nail salons, it could be as many as 20 percent to 50 percent of operators.

Hutt City Council work to date

22. Hutt City Council had to cancel its late March submissions hearings session on an appearance industry public health bylaw. Hutt City consulted on a high level bylaw and a detailed code of practice that outlines minimum standards and was planning to pass the bylaw in May 2020.
23. The scope of the bylaw has been defined by the public health risk posed. It includes any commercial service that pierces, risks breaking or burning the skin or tissue. It also

¹ The Environmental Protection Agency guidelines for Tattoo and Permanent Make-up Substances guidelines that outline hazardous substances that should not be contained in inks and maximum levels of certain substances.

includes tattooing or traditional tools tattooing that has recognised cultural significance. This definition allows for new, emerging procedures or treatments to be captured.

24. The proposed bylaw, which is based on the Auckland Council approach, requires businesses to hold health protection licenses (with some exemptions) and to demonstrate minimum standards are adhered to. The bylaw sets the parameters of the Code of Practice (and the approach to revising it), which includes:
 - operator conduct, training and qualifications;
 - premises construction, facilities and maintenance;
 - equipment, supplies and products used;
 - cleaning, sterilisation and disposal of waste products;
 - customer age restrictions, consent and after care advice; and
 - record keeping.
25. Hutt City Council have worked closely with Regional Public Health to develop a detailed Code of Practice that covers minimum required standards in the areas of:
 - Premises – permanent, mobile or temporary;
 - Operator Conduct;
 - Piercing of the Skin;
 - Body Piercing;
 - Tattooing;
 - Traditional Tools Tattooing;
 - Acupuncture;
 - Electrolysis, Red Vein Treatment and Derma Rolling / Stamping;
 - Risk of Breaking the Skin;
 - Hair Removal;
 - Manicure / Pedicure;
 - Exfoliation; and
 - Pulsed Light and Laser Treatment.
26. Hutt City Council published submissions and an amended bylaw to support hearings of evidence prior to the COVID-19 lockdown. Ministry of Health feedback on the proposed bylaw resulted in changes to the way skin piercing was defined so that extreme body modification remains outside the scope of the bylaw.
27. Further work was also undertaken to gather more feedback in relation to tā moko and also traditional Samoan tatau practices. A number of practical changes to the code of practice minimum standards from industry associations were included by Hutt City Council Officers.

Other local government work

28. Auckland Council completed a substantial review of their bylaw and code of practice in 2018 and have amended their bylaw. Auckland Council Officers were intending, pre COVID-19, to work with industry and public health and other experts on code of practice amendments in 2020. If their revised timelines fit with Wellington City Council's, this does present an opportunity to collaborate with Auckland Council, who will be working with experts in the field.
29. In addition to the scope outlined in paragraph 23 above, Auckland Council also includes commercial services involving colon hydrotherapy and therapeutic massage. Colon hydrotherapy poses a risk of injury (colon wall perforation) and gastro-intestinal infection if the devices are not properly used or sterilised. Therapeutic massage was added in response to a large number of ACC claims and injury types that involved soft tissue sprains, lacerations, fractures/ dislocations, burns and scald injuries.
30. Two team leaders from Council's Public Health team visited Auckland Council in February to learn about their experience of regulating the beauty industry. Auckland Council officials consider that the bylaw has improved operator compliance and they have seen a decrease in complaints over the life of the bylaw. They stressed that buy-in from operators is key to the success of implementing a bylaw and that it is important to work closely with them to transition to minimum standards. Auckland Council receives 30-40 complaints per annum and the majority are about nail bars.
31. Officers require ongoing training to understand the technical aspects of developing industries. A key finding in their 2018 review was recognition that the industry is a rapidly evolving one with new treatments and therapies emerging.

Options consideration

32. Council agreed to progress towards a public health bylaw at its meeting on 20 June 2019. Officers have completed an options analysis to satisfy the requirements of section 77 of the Local Government Act 2002 which requires a local authority to identify and assess all reasonably practicable options for the achievement of the objective of a decision.
33. A summary of this assessment is included as Attachment 1. The policy objectives used for this assessment are:
 - Improved health and hygiene practice – by having clear minimum standards and associated enforcement strategies, it is anticipated that operators will comply with those standards over time and practice will improve overall;
 - Improved consumer awareness – a decision to regulate this sector, receive and investigate complaints should help to build consumer confidence, particularly in areas that they may not be able to assess themselves; and
 - Easy for businesses to comply – the minimum standards and associated guidance need to be practical to apply and straightforward to revise over time.
34. Consideration of implementation, compliance and administration costs have also been taken into account as part of the options assessment. Costs are discussed below.

Implementation options

35. Officers have considered how best to implement a public health bylaw and recognise the particular concerns with the nail salons as evidenced through the RPH survey.
36. A draft bylaw, on the basis of protecting public health, would need to be broader than nail services and also consider the risks posed by services that do actually pierce the skin or risk breaking, piercing or burning the skin. Detailed codes of practice for all associated services would need to be developed, using the Hutt City and Auckland Councils' approach as a basis.
37. Work would continue on the development of the draft bylaw and codes of practice with a view to completing public consultation by December 2020. Public hearings and consultation would take place so that the bylaw was passed in March/April 2021. The bylaw would take effect from 1 July 2021, when the licencing application and inspection process would start. The pre-implementation phase would be used to raise awareness of new minimum standards and increase the level of early voluntary compliance.

Costings

Implementation costs

38. Estimates of implementation costs have been developed – a pre-implementation phase where fees are not being charged, and an implementation phase for the first year of licencing. Non recoverable pre-implementation costs include staff time, IT changes, training and engagement with industry on the development of codes of practice. The appearance industry is niche and involves many different technical procedures that need to be understood in some detail by the Public Health team as the regulator.
39. Officers consider that establishing a liaison role with responsibility for the industry will be beneficial to both the industry operators and to ensure the Public Health team keeps on top of developments within the industry (e.g. new treatments, emerging issues and complaints investigation). Responsibility for inspections will be allocated across the team to ensure knowledge is shared across the team. The estimated non recoverable pre-implementation costs are estimated at \$257,775.

Ongoing costs and fee structure

40. Ongoing costs are driven by the need for an additional 1.25 FTE to manage the additional administration and inspection work which is not able to be absorbed by existing staff. There are also associated operational, team training and overhead costs generated by higher headcount. Overall, ongoing costs are estimated to be \$212,750.
41. Officers consider that a fee structure that follows the Auckland Council model would be a good fit for Wellington City. It takes into account the level of risk of particular procedures as well as the number of types of services on offer as this impacts the inspection time required. Annual licence fees would cover the annual registration as well as the inspection time associated with obtaining the licence.

42. Fees in the table below are based on a standard \$160 (incl GST) hourly charge out rate. A single basic service (e.g. a nail salon offering nail services only) would require 1.5 hours of inspection and admin time and therefore pay a fee of \$240. A multi high risk service would apply to a salon offering more than one high risk treatment e.g. laser treatments, chemical peels etc.

| | Number of required hours | GST excl | GST incl |
|------------------|--------------------------|----------|----------|
| Single basic | 1.5 | \$208.70 | \$240.00 |
| Single high risk | 2 | \$278.26 | \$320.00 |
| Multi basic | 2 | \$278.26 | \$320.00 |
| Multi high risk | 2.5 | \$347.83 | \$400.00 |

43. Costing assumptions include a reinspection fee for a proportion of operators who may need further inspections to determine whether they are complying with minimum standards. All of the costings are based on the standard charge out rate of \$160 for public health related fees and are similar to Auckland Council and Hutt City Council rates.

Revenue and Financing Policy

44. In line with the requirements of the Local Government Act 2002 and Wellington City's Revenue and Financing Policy the apportionment of benefits to individuals and the community as a whole has been considered. Benefits of the regulation of public health services are assumed to benefit individuals using those services as well as the community at large through improved public health outcomes. Avoided harm benefits the community as a whole as does improved public assurance that safe and hygienic practices are being used by operators.
45. The current Revenue and Financing Policy settings for "Outcome 5.3.3 - Public Health regulations" require 60 percent to be funded by individuals and 40 percent through general rates. However, given the small size of the appearance industry in Wellington and the amount of revenue collected at \$160 per hour, the Council would only be recovering 21% of the costs through user charges. The hourly rate required to recover 60% of the costs through user charges would need to be \$505 per hour (GST incl) in order to meet the required ratio. This is based on existing assumptions and needs to be confirmed through the bylaw consultation process.
46. Work on appropriate fee setting will continue as part of the Long-term Plan process and any changes to the Revenue and Financing Policy.

Key policy questions

47. Council has previously provided direction as to the scope of this work to "manage health and hygiene risks for appearance industry businesses". There are a number of services on the periphery of this bylaw scope such as acupuncture, therapeutic massage

or colon hydrotherapy. Inclusion of certain services should primarily be determined by whether that service pierces or risks piercing or burning the skin.

48. In the absence of national regulation, a regionally consistent approach is desirable. However, there will be a need to tailor the bylaw and code of practice to the local Wellington situation.
49. Pre-engagement has involved some discussions and analysis to understand how potential jurisdictions may overlap. Worksafe, Environmental Protection Authority, Health and Disability Commissioner, Medical Council of New Zealand, Nurses Council and Consumer Protection (MBIE) have all had some interaction with the industry but not in a way that seeks to apply minimum standards that protects and promotes the public health.
50. A number of issues were raised in the Ministry of Health submission on the Hutt bylaw and include policy questions that require careful consideration:
 - Restricted practices – the Hutt City draft bylaw restricts dermal-fillers, eyeball tattooing, use of heel blade razors and prescription medicines to registered medical practitioners only. Ministry of Health also suggested restrictions around extreme body modification and the use of plasma pens.
 - Age of consent issues – requires an assessment of whether the primary purpose of a public health bylaw is to ensure hygienic practices for all or whether Council should be stipulating who can access services.
 - Enabling regulation to be responsive to new emerging practices e.g. micro-blading eyebrows, energy based devices for genital rejuvenation (which prompted a Medsafe warning).
 - Notifications - Imposing requirements that operators must inform the Medical Officer of Health if there have been infections and injuries to their staff or clients associated with their services.

Consideration of tā moko and te Tiriti o Waitangi obligations

51. Tā moko has recognised cultural significance for Māori and recognises an individual's whakapapa and is undertaken within certain tikanga. The physical marking or tattooing is one aspect of a broader process. Tā moko is a taonga and an expression of a connection to the past, present and future. It is helpful to differentiate between tā moko (by Māori for Māori) and kirituhi is a Māori style tattoo either made by a non-Māori tattooist, or made for a non-Māori wearer.
52. There is a small but growing community of tā moko artists in Aotearoa and learning is passed down so that "apprentices" acquire a depth of understanding of the art form. Te Uhi ā Mataora (Te Uhi) is a national collective of tā moko artists established in 2000 and are the acknowledged experts in the area.
53. New Zealand's government's 1907 Tohunga Suppression Act outlawed the spiritual and educational role of Māori experts (tohunga) and as a result many practices have had to be rediscovered.

54. The majority of tā moko are completed with a modern tattoo gun but some traditional tools are used. Officers are not aware of any public health incidents in relation to tā moko. Kaitāmoko may have home based studios and some travel within Aotearoa and internationally.
55. The Hutt City Council and Auckland Council, in recognition that tā moko are a taonga and therefore protected under Tiriti o Waitangi principles, both exempt kaitāmoko from the requirement to comply with the bylaw. Their bylaws exempt kaitāmoko in different ways so Officers will examine the best approach for Wellington City. In pre-engagement with Toi Maori, there is support for an approach which would exempt kaitāmoko operating in a cultural context and where endorsed by mana whenua. There may also be an opportunity for Council to promote the tā moko artists of Ngati Toa and Taranaki Whānui. The proposed draft bylaw would be discussed with mana whenua.

Operational considerations

Enforcement

56. Effective regulation relies on a consistent and responsive enforcement approach. Complaints by members of the public would be investigated by the Public Health team. Officers anticipate that members of the public may identify unlicensed mobile or homebased operators. Premises would be inspected annually and those not complying would require a further re-inspection and this would be an important enforcement tool.
57. There is no associated infringement (instant fines) regime for compliance with this bylaw. Persistent non-compliance would need to be addressed through the Courts. Possible penalties (upon conviction) are \$20,000 through the LGA 2002 (section 242) or \$500 under the Health Act 1956 Section 66.


Training and qualifications for operators

58. Processes for verifying the training or industry experience of operators will involve careful consideration by the public health team. Depending on the detail in the Code of Practice for different services (recognised qualifications, provider training or years of industry experience), there may be quite different minimum standards depending on the risks involved.
59. Pre-engagement with some operators has identified that New Zealand lacks a recognised qualification in standard hygiene practices that would be useful for this industry and any industry that involves close contact with people. Regional Public Health identified this as an issue as part of the nail hygiene practice survey and undertook to explore ongoing training and resources.
60. Some operators have proactively taken advantage of training options around the principles of infection prevention and control that are offered by the Australian Commission on Safety and Quality in Healthcare. One Wellington skin piercer that Officers spoke to belongs the American based Association of Professional Piercers which requires annual blood borne pathogen training to be completed as a membership requirement.

Next Actions

61. Officers will look to workshop the detail of the bylaw with Councillors. A draft bylaw and supporting codes of practice would be prepared for Council by September 2020 so that public consultation can be completed this year.

Attachments

Attachment 1. [Attachment 1 Options summary](#) 

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| | |
|------------|---|
| Author | Kate Hodgetts, Senior Policy Advisor |
| Authoriser | Stephen McArthur, Director, Strategy and Governance Moana Mackey, Acting Chief City Planner Baz Kaufman, Manager Strategy |

SUPPORTING INFORMATION

Engagement and Consultation

Officers have had initial discussions with The New Zealand Association of Registered Beauty Professionals, the New Zealand Board of Professional Skin Therapies, Hair and Beauty Industry Training Organisation, WorkSafe, MBIE (Consumer Protection), NZ Medical Council and NZ Nurses Council and some business owners and trainers. The views of the Youth Council and Pacific Advisory Group have also been sought.

Treaty of Waitangi considerations

Te Tiriti o Waitangi is being considered in relation to the approach to tā moko practices. This has been outlined in the body of the paper.

Financial implications

Costing work has been completed using standard hourly rates and assumptions on the amount of time required to undertaken inspections.

Policy and legislative implications

There are no new policy or legislative implications as a result of this review.

Risks / legal

This bylaw is likely to result in additional legal work to support enforcement of the provisions.

Climate Change impact and considerations

There are no climate change impacts or considerations.

Communications Plan

A communications plan will be developed to accompany the consultation, finalisation and implementation of the bylaw. Industry input on minimum standards will be sought through workshops and officers will use social media, industry associations to promote awareness of this work.

Health and Safety Impact considered

This bylaw is intended to promote and protect public health and does not present additional health and safety risks to the Environmental Health Officers verifying the adherence to minimum standards. There may be some additional risks posed due to some operators resisting compliance with a new bylaw. However, the Public Health team are already trained to deal with difficult clients and the communications and engagement strategy will focus on encouraging compliance from all operators.

Attachment 1 - Option identification

| Option | Description | Contribution to Objectives | | | Implementation, compliance and administration costs | Stakeholder support for the option |
|--|--|---|---|---|--|---|
| | | Improved consumer awareness | Improved health and hygiene practice | Easy for businesses to comply | | |
| 1. Status quo (no regulation) | This option would continue a non intervention role by Council. | Low - consumers would continue to have recourse for personal injury through ACC and could potentially complain to the Health and Disability Commissioner if the health service was considered to be within HDC jurisdiction. In terms of quality of service, Consumer Guarantees Act provides some recourse through the Disputes Tribunal if the quality of service is considered poor. | Low - General provisions under Section 23 of the Health Act 1956, mean local government authorities can require “all proper steps to be taken to secure the abatement of the nuisance or the removal of the condition”. This nuisance provision could be used in the event where any trade, business, manufacture, or other undertaking is so carried on as to be unnecessarily offensive or likely to be injurious to health. | High – no compliance obligations | No cost | Mixed NZ Board of Professional Skin Therapies and the New Zealand Association of Registered Beauty Professionals (NZARBT) strongly support regulation Tattooists – unclear as no overarching industry body Tā moko – mixed views within group |
| 2. Information and awareness raising for businesses and consumers (non regulation) | Develop a low cost, one-off comms campaign to raise awareness. Leverage the generic work of the Consumer protection team (MBIE) and WorkSafe about what consumers should | Low/Med – reach out through social media campaign. Similar approach to SmokeFree areas where largely unenforceable and reliant on moral pressure to comply. | Low/Med – mailout relevant codes of practice to relevant businesses. Encouragement of complaints could potentially improve business awareness of need to adhere to standards. Council would have very little resource to investigate complaints but | High – no compliance obligations, however could be seen to place industry on notice that regulation could be the next step | Low cost One off costs – \$1,000 social media campaign and mailout to industry. Update website with material | Mixed NZARBT strongly support regulation Similar approach to Smoke Free where Council signals and educates and support other |

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| Option | Description | Contribution to Objectives | | | Implementation, compliance and administration costs | Stakeholder support for the option |
|--------------------|---|---|---|--|--|--|
| | | Improved consumer awareness | Improved health and hygiene practice | Easy for businesses to comply | | |
| | <p>look for when buying services. Outline the areas of recourse for consumers eg if it is a health service, HDC and ACC. Could encourage complaints to WCC which could then be referred to MOH if deemed to be serious.</p> <p>Promotion of the relevant health and hygiene codes of practice with Wellington City appearance businesses.</p> | <p>Some risks with this approach as Council would be promoting a very limited role.</p> <p>NB Council would have very limited resource to investigate complaints but this could help build knowledge of industry at a system level.</p> | <p>could refer to WorkSafe or other regulator if there is a major concern.</p> <p>Website information could steer consumers to what to look for and quality end of market.</p> | | <p>However ongoing costs to encourage complaints and review evidence base would be unfunded and pressure to absorb these costs would come at the expense of other funded activities.</p> | <p>agencies to address the issue, but has no enforcement powers.</p> |
| 3. Self regulation | <p>Encourage the main industry association to promote and enforce minimum standards for the industry.</p> <p>Work with the industry association(s) and HITO to understand the standards in place.</p> | <p>Medium Place expectation on industry association to promote and enforce its adherence to standards with consumers.</p> <p>Encourage Wellingtonians to complain to Council about unsatisfactory hygiene or health related practices so that a body of evidence improves as to the level of</p> | <p>Low – unlikely to drive change in low cost, budget end of the market where there is no interest in complying.</p> <p>Fragmented nature of the industry would mean that that areas such as tattooing would not be captured.</p> <p>Self-regulation requires the industry to have the incentive</p> | <p>Medium – limited compliance costs beyond membership of industry association and following the standards (eg may mean greater investment in training)</p> <p>Establish relationships with businesses to encourage information</p> | <p>Low cost Self regulation model not costed but could involve Council licensing on the basis that operators belong to a suitable industry body.</p> | <p>Mixed NZ Board of Professional Skin Therapies and the NZARBT strongly support regulation however there is only limited collaboration between the two entities. NB challenge with</p> |

| Option | Description | Contribution to Objectives | | | Implementation, compliance and administration costs | Stakeholder support for the option |
|---------------------------------|---|--|--|--|---|---|
| | | Improved consumer awareness | Improved health and hygiene practice | Easy for businesses to comply | | |
| | Could involve formal endorsement by WCC of the approach eg requiring membership of the industry association or APP etc. | risk and harm being experienced by the community. Refer complaints to industry association to consider. | and ability to influence the behaviours of people and organisations within the sector. It also requires the trust and confidence of the government and the public. | sharing, good practice etc and monitor levels of complaints. | | this option is industry association's limited membership reach to deliver the level of assurance required. |
| 4. Licensing model (full scope) | Develop a bylaw to cover all appearance related services that pierce skin or tissue or risk breaking or burning the skin. Represents a complete approach based on harm prevention. Broad bylaw with detailed code of practice for each service type that is developed in close consultation with the industry associations. NB Aligns with Hutt City Council and Auckland Council approach | Medium/High Provides opportunity to instil broad awareness that Council is taking its public health responsibilities seriously and wants consumers (including visitors to Wellington) to be protected | High - Code of Practice minimum standards would provide a mechanism for operators having to demonstrate to Council offices that the required equipment, procedures and training are in place to support health and hygiene. In the event of new issues emerging, or unlicensed operators entering the market, Council would have some tools to respond (albeit through prosecution in the Courts rather than an infringements regime). | Medium anecdotally, some nail bar business owners may be hard to reach to inform them about new requirements. | High implementation costs approx \$257k (personnel, industry engagement, IT changes etc). Ongoing costs approximately \$212k with 21% recoverable through user fees and charges. | Mixed NZ Board of Professional Skin Therapies and the NZARBT strongly support regulation. Tattooists – unclear as no overarching industry body Tā moko – mixed views within group |
| 5. Licensing | As per option 4 but | Medium Provides | Medium – may drive change in | Low anecdotally, some | As above but with | Mixed |

| Option | Description | Contribution to Objectives | | | Implementation, compliance and administration costs | Stakeholder support for the option |
|--|--|--|--|---|---|---|
| | | Improved consumer awareness | Improved health and hygiene practice | Easy for businesses to comply | | |
| model (full scope – but introduce minimum standards gradually) | start with the specific services where there is a concern eg nail salons which would be in response to RPH findings around the salons offering nail services. Put industry on notice and build up services covered over time based on risk. | confidence that Council is taking a risk based approach and responding to evidence | low cost, budget end of the market where inspections will require adherence to minimum standards. From a reduction of harm perspective, this approach places a priority on increasingly high volume service industry with substandard practices (and not the more niche but very high risk/low volume beauty therapies). Known poor infection control practices in nail bars versus, for example, potential for facial scarring or blindness possible with untrained staff using laser equipment. | nail bar business owners (including mobile or home based operators) may be hard to reach to inform them about new requirements. | slightly higher (\$13k) implementation costs due to longer implementation stages. | NZ Board of Professional Skin Therapies and the NZARBT strongly support regulation across the full suite of potentially high risk services. Industry considers nail services to be lower risk compared to other services offered. |

PROPOSED EASEMENT FOR TRANSPOWER ACCESS TO NATIONAL GRID OVER CARIBBEAN AVENUE RESERVE, HOROKIWI ROAD, HOROKIWI

Purpose

1. This report asks the Strategy and Policy Committee to agree to grant an easement in gross to Transpower New Zealand Limited for access over Caribbean Avenue Reserve, Horokiwi.

Summary

2. Transpower are doing re-conductoring work on the National Grid, namely the Benmore to Haywards (HVDC) line and the Bunnythorpe to Wilton A 220kv line.
3. Both these lines traverse Caribbean Avenue Reserve, which Transpower has a number of easements over. However, access to these easements has been lost as Transpower's access rights over an adjoining, privately owned, property have been revoked.
4. They wish to secure an additional easement over a small strip of Council land, which makes up part of the wider reserve (refer to Attachment 1) in order to access the existing easements on the reserve.
5. The land is classified as Scenic Reserve B and zoned Open Space B.
6. Under s48(1)(c) of the Reserves Act 1977, the Strategy and Policy Committee (SPC) has the delegated authority to approve easements for land and structures over open space and the Council can authorise a grant of easement over Scenic Reserves for electricity purposes.
7. The proposed works are considered to have no long-term impacts on the ecology, landscape or recreational values of the reserve.
8. By securing the easement Transpower will secure long term access to the National Grid within Caribbean Avenue Reserve.

Recommendation/s

That the Strategy and Policy Committee:

1. Receive the information.
2. Agree to grant access easement rights over Lot 7 DP 49151 held on Record of Title WN26B/975 (defined in Attachment One) subject to terms and conditions satisfactory to the Council
3. Instruct officers to enter into negotiations for the terms and conditions for the easement.

4. Note the proposed activity is subject to securing all necessary consents under the Resource Management Act 1991.

Background

9. On the 13th June 2019 the City Strategy Committee resolved to grant an electricity easement in gross to Wellington Electricity Lines Limited (WELL) for the construction and maintenance of a 33kv overhead line and 11kv underground cable at 38 Caribbean Avenue.
10. The WELL enabling works were needed to ensure safety to both networks and ongoing security of electricity supply and were a necessary part of the critical re-conductoring of the Benmore to Haywards (HVDC) line and the Bunnythorpe to Wilton A 220kv line being carried out by Transpower on the National Grid.
11. Caribbean Avenue Reserve includes Pt Sec 41 Horokiwi Road District, Pt Sec 168 Porirua District, Lot 4 DP 54434 and Lot 1 DP 53628 and is a Council owned Scenic Reserve subject to the Reserves Act 1977. The reserve is approximately 103ha and can be accessed from Caribbean Avenue, Grenada North and Horokiwi Road, Horokiwi.
12. Looking from Grenada North and parts of southern Tawa, the reserve contributes to the wider open space running up towards the Horokiwi Ridge line.
13. The wider site vegetation includes a mixture of Māhoe, Mānuka, Māpou and gorse dominated forest and scrub, plus areas of exotic grassland. There are no forest remnants or areas of significant indigenous vegetation.
14. The reserve was acquired by the Council from Transpower in 2000 and is subject to the Reserves Act 1977.

Discussion

15. The SPC has the delegated authority to approve easements for land and structures over open space.
16. The land is classified as Scenic Reserve B and zoned Open Space B. Under s48(1)(c) of the Reserves Act 1977, Council can authorise a grant of easement over Scenic Reserves for electricity purposes.
17. The Reserves Act 1977 allows that if the rights of public are not permanently affected and the reserve is not materially altered then no public notification is required under the Act.
18. As part of the WELL project works, access to one section of the site was provided through private land. During the project that private land exchanged hands and the new owners declined access to WELL through their land.
19. At that point, WELL approached Council officers to request a variation to the easement in order to allow them access across approximately 80 metres (by approximately 3

metres wide) via an old farm track. The track was narrow, partly grass and starting to revegetate with scrub, gorse, and broom. A variation to the WELL easement was granted by officers due to the minor nature of the work required and the proposed mitigation planting and financial payment of \$5,000.

20. With substantial maintenance work planned for both Transpower's transmission lines over the next four years, they need to secure suitable and enduring vehicle access over Part Section 41.
21. The surrounding terrain in the area limits alternative access options significantly. In the past Transpower have used the private land, but have now lost that access and wish to use the same track created for WELL. Currently, Transpower relies on a temporary access permit and this now needs to be formalised.
22. The location of the existing track at the northern end of Lot 7 linking Horokiwi Road with Part Section 41 has been identified as being ideal for this purpose. Access over the new section of track would give Transpower similar rights as they have over the adjoining Scenic Reserve land.
23. Because the new access was created as part of the WELL works, there are no further construction effects to be considered. Noting that extensive planting (approximately 636m²) is proposed to mitigate the loss of restoring the land where the track is to be reinstated.

Utilities and the Northern Reserves Management Plan

24. When considering utilities within reserves in this area, the Northern Reserves Management Plan (NRMP) requires the following:
 - a. *All utility structures must be sited to minimise their impact on existing natural and heritage features, waahi tapu sites, visual amenity, recreational facilities and vegetation.*

There are no known natural or heritage features or waahi tapu sites in the vicinity of the works. With regard to this easement, the new formed track follows the path of a previously used farm track. Further to this, the reformed track could allow for walking access and other recreational purposes on the site.

- b. *In choosing sites for utilities the Council will, having regard to the nature of the utility, give preference to areas not zoned Open Space or Conservation sites and sites where there are already utilities.*

In this case the utility is already located in the reserve, with easements in favour of Transpower on the adjoining properties that make up the whole reserve. This work will formalise their ability to access the site with minimal environmental impacts.

- c. *The location of utility structures should not unduly compromise recreation uses or future facilities and landscape restoration works.*

The proposed work will not impact any future recreational uses of the land, and will enhance it through a new area of restoration planting surrounding a wetland on site.

- d. *The applicant is responsible for any reinstatement of natural ground, vegetation or infrastructure to the Council's satisfaction.*

The easement conditions will reflect those afforded to Transpower on the adjoining property to ensure consistency within the reserve.

Other Objectives and Policies in the Northern Reserves Management Plan

25. In considering the proposed works against the NRMP overall objectives and policies there are no long term impacts on the ecology, landscape or recreational values of the reserve.


Options

26. Other options for access have been considered but are not suitable due to restricted access rights and terrain, making this the safest and most suitable location.

Next Actions

27. If the Strategy and Policy Committee approves the recommendations, officers will then inform Transpower and commence the easement process and we will negotiate terms.

Attachments

Attachment 1. [Location of Proposed Easement](#) 

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| | |
|------------|---|
| Authors | Joel de Boer, Recreation and Parks Planner Sarah-Jane Still, Property Advisor |
| Authoriser | Bec Ramsay, Manager Open Space and Recreation Planning Paul Andrews, Manager Parks, Sports & Rec |

SUPPORTING INFORMATION

Engagement and Consultation

Under S48 (3) of the Reserves Act, where an easement is not likely to be materially altered or permanently damaged, and the rights of the public in respect of the reserve are not likely to be permanently affected, public notification of the proposed easement is not necessary. Due to the nature of this proposal officers don't consider it necessary to publically notify this easement.

Treaty of Waitangi considerations

No engagement with mana whenua is deemed necessary.

Financial implications

There are no financial implications to Council, apart from officer's time. The cost of the easement and meeting the conditions of the easement will be borne by Transpower.

Policy and legislative implications

The easement is not contrary with the Northern Reserves Management Plan and other open space policies.

Risks / legal

The easement is considered low risk and in fact is necessary to ensure access to the electricity supply not only to the northern suburbs of Wellington but the wider National Grid.

Climate Change impact and considerations

Not applicable.

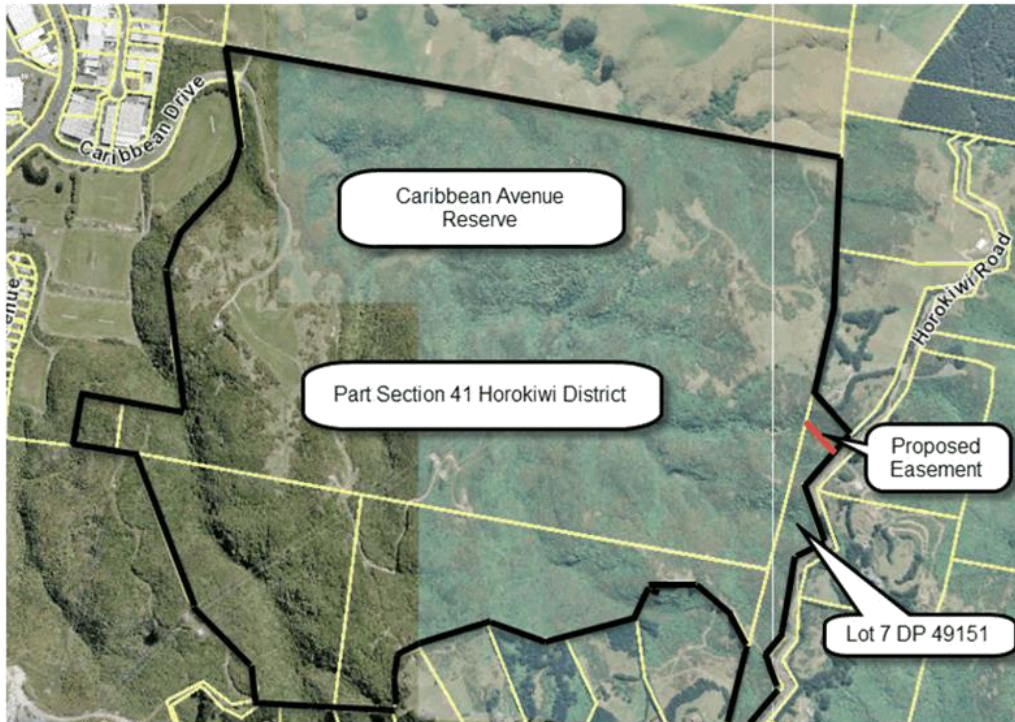
Communications Plan

A communication plan will be drafted by Transpower for approval by Wellington City Council to communicate to any recreational users that the track will be temporarily closed and upgraded during the projects construction phase.

Health and Safety Impact considered

Health and safety will be considered by Transpower and in consultation with Park Rangers to avoid risk to the public during their construction works.

Location of Proposed Easement within Caribbean Avenue Reserve



Above - Part Section 41 Horokiwi District and Lot 7 DP 491512 within Cariddean Avenue Reserve



Above - Close-up plan showing location of proposed easement

QUARTER 3 PERFORMANCE REPORT 2019/20

Purpose

1. This report provides Strategy and Policy Committee with the Quarter Three (Q3) performance report for the 2019/20 financial year. The period covered by the report is 1 January 2020 to 31 March 2020.
2. The report contains financial and non-financial performance results, business activity updates and commentary for the quarter.

Summary

3. The report highlights the increasing impact of the Covid-19 pandemic on the Council's performance - particularly in the last month of the quarter and provides an initial estimate of the impact on the full year operating result.
4. The key pandemic related impacts include:
 - a) the suspension of work across the project portfolio during the pandemic lockdown will result in an increased capital underspend. The year to date capital expenditure underspend of \$32m (17%) is forecast to increase to \$55.4m by year end.
 - b) third quarter key performance indicator (KPI) targets in a number of activity areas have not been achieved. See Section 1 Activity area performance summary for details
 - c) fees and charges revenue budgets from will not be achieved. While the impact is not significantly evident in year to date actuals for the 9 months March (in fact revenue is significantly operating ahead of budget), overall revenue is forecast to be \$12.4m behind budget at year end, a movement of \$24.2m from the pre-COVID-19 full year forecast. See Section 2 Financial summary for details.
5. Pre-COVID-19 the net operating full year forecast (operating revenue less operating expenditure) was generally on track with budget (+3% and -1% respectively), with increased income from Waste Operations and high volumes of consent applications offsetting expenditure pressures.
6. The actions taken by Council to support and boost our city, communities and residents' recovery from pandemic impacts will also likely flow through to the full-year result.
7. Officers are currently forecasting a full year net operating result of \$21m below budget.
8. Year to date capital expenditure is \$32m under budget (by 17%). The forecast capital expenditure is \$55.4m under spent or 17% of budget.
9. In terms of Q3 KPI results, 66% (51 out of 77 KPIs) of KPIs with an available Q3 result were achieved or exceeded. Except where there has been direct pandemic impacts on specific KPIs (detailed in the report), the Q3 result suggests that leading into March the

performance was broadly trending with previous quarters – 79% in Q1 and 77% in Q2 were achieved or exceeded.

10. The three waters performance reporting was suspended for Q3 to enable Wellington Water Ltd to focus on delivering operational support to critical functions during lockdown. The Mayoral Taskforce (on issues facing the water services network and its management) was formed in Q3, met and has agreed terms of reference and will put action plan to Council by the end of June. This may also impact on the full year financial forecast.
11. Like many Local Authorities, the Council's consenting area faces on-going capacity and capability challenges. Improvements in how we capture utilisation results have meant that there has been a drop in performance reported in the social and recreation activity area. Officers expect further impacts on performance results from the pandemic closures.
12. Lower physical Library utilisation continued in Q3 as a result of limited access to the Central Library collections however online access continues to exceed expectations.

Recommendation/s

That the Strategy and Policy Committee:

1. Receive the information.
2. Note the contents of the Quarter Three 2019/20 report (Attachment 1).
3. Note the Financial and Performance Measure variances, including the extraordinary impacts of the Covid-19 pandemic, particularly the forecast negative impact on user fees and charges revenue.
4. Approve the Quarter Three 2019/20 report.

Background

Exception reporting

13. This report continues the emphasis on exception reporting, performance variances +/- 10% and +/- \$500,000. The aim is to enable Council to have informed and focused discussions on KPI and budget variances that are exceeded or not met for the quarter.
14. It is noted that the practice of exception reporting based on year to date variances, does not naturally cater for the highlighting of the sudden onset of future risks to revenue resulting from the COVID-19 pandemic, as is forecast for Q4. Where this is anticipated additional narrative has been incorporated into the report for this quarter.
15. The appendices to the report contain the details of all the KPIs and budget results for the year to date in Council's seven activity areas. These can be referred to as needed. KPIs that only have an annual result are not included.

Discussion

Quarter three performance

KPI performance

16. In addition to the above pandemic impacts Items of note in this quarter include:
 - *Wellington Water (WWL)*: no performance report due for Q3
 - Social and recreation utilisation numbers: across all pools & recreation centres, the implementation of the new booking system (with a difference process for counting attendance) may be impacting on our numbers. We will continue to review this over time.
 - *Libraries*: EBook items issued, website visits, and other digital offerings (such as the new Kanopy and Beamafilm offerings) continue to increase as customers look for new ways to access services.
 - *Consenting*: Ongoing challenges attracting, on boarding and retaining skilled staff coupled with the newly established building consent authority under Kainga Ora (formerly Housing NZ) have led to the Building Compliance and Consents team consistently working additional hours to provide good customer service and process consents within the statutory timeframes.
17. The report also includes a summary of the status of some of Council's significant projects, including:
 - *Let's Get Wellington Moving*: This project is being closely monitored and is rated "yellow" because of the work occurring on finalising the programme and funding. However, the programme is moving ahead. A report on this programme was considered separately by the committee at the December 11 2019 meeting.
 - *Convention & Exhibition Centre*: This project is also being closely monitored because of the high profile and interest in the centre. It is currently on-track.
18. Overall, there were:
 - 50 KPIs that were unable to be compared to target or no data available
 - 31 of these related to three waters and 10 to Council Controlled Organisations; and
 - 26 KPIs were more than 10% below target or not met the majority being the in Social and Recreation activity area.
19. Any significant variances of greater than or less than 10% off target are explained in Section One: Activity Area Performance. The full list of KPIs is also reported for the in the appendices of the report.

Financial performance

20. Section 2 of the report details financial performance for the period 1 July 2019 to 31 March 2020.

Revenue

21. Year-to-date total revenue is ahead of budget by \$11.8m.
- Revenue from activities is \$4.8m above budget because of higher revenue from contaminated and special waste disposal and high volumes of consenting and compliance work.
 - Development Contributions revenue is \$1.8m higher than budget, primarily due to flexibility in regard to the timing during the development process, at which contributions are made.
 - Finance revenue is showing a favourable variance of \$2m. This reflects income on short-term investments, whereas the budget for interest is at a net level within the finance expenditure line.

Expenses

22. Year-to-date total expenses are largely on track, over budget by \$2.7m on a budgeted spend \$400m:
- Personnel expenses are \$2.0m unfavourable
 - Contracts, services and materials are \$2.4m favourable
 - General expenses are \$1.0m unfavourable
 - Depreciation and amortisation is \$6.0m favourable due to delays in capitalising assets.
23. Net operating surplus (deficit) to 31 March is \$9.1m favourable.

Net operating surplus forecast

24. The full-year forecast net operating result is for a deficit of \$16m, compared to a budgeted surplus of \$5m. This \$21m variance is approximately equivalent to the forecast decrease in revenue directly related to the impact of COVID-19.
25. The report also highlights that there are range of non- COVID-19 related factors that generally offset. The main forecast variances include:
- Revenue is forecast to be \$10.5m unfavourable comprising:
 - o Revenue from activities \$12.5m unfavourable reflecting Covid-19 impacts partly offset by higher revenues from landfill fees
 - o Other revenue \$2m favourable
 - Operating Expenditure is forecast to be \$10.5m unfavourable including:
 - o Personnel expenses \$1.5m unfavourable
 - o Contracts, services and maintenance \$6.3m unfavourable. This includes costs of \$11.1m for the transportation of sewage sludge due to the pipe failures under Mt Albert.
 - o Professional costs \$2.3m unfavourable
 - o Depreciation and amortisation \$4.8m favourable
 - These variances are further explained in the body of the quarterly report.

Capital expenditure

26. Capital expenditure for the first nine months of the financial year is \$151.9m, \$14.9m underspent. Key underspends in capital expenditure relate:
- Environment \$8.7m (20%) favourable – 3 Waters projects are less than budget (\$6.1m), due to rephrasing of the programme of works. The Omāroro project is \$3.9m with the business case being reviewed, waste water pump station renewals \$1.3m and Stage 4 of the Southern Landfill project is \$1.6m are lower than budgeted.
 - Economic Development \$1.3m (42.5%) favourable – the St James project is \$3.9m lower than budgeted due to being behind programme.
 - Cultural Wellbeing \$5.1m (51.5%) unfavourable – Wellington Convention Centre \$m more than budgeted due to being ahead of programme.
 - Social & Recreation \$3.5m (11.8%) favourable – Central Library upgrades is \$3.3m due to changes in the phasing of the programme of works.
 - Urban Development \$12.4m (35.9%) favourable – Earthquake Risk Mitigation is \$7.3m under spent (St James \$3.9m and Town Hall \$2.5m) and Wellington Waterfront is \$2.2m less than budgeted (Frank Kitts Park project \$2.2m).
 - Transport \$6.5m (14.6%) favourable – due to being behind programme and impacts of Covid-19.
 - Council \$32.0m (17.4%) favourable – lower than budgeted spends for Civic Property projects (\$2.8m) partially offset by higher than budgeted spend on the ICT infrastructure project (\$3.8m).

Capital expenditure forecast

27. The capital expenditure forecast for the full financial year is \$203.9m, \$55.4m underspent. This underspend is primarily delay related and has been exacerbated by the temporary halting of projects during the Covid-19 lockdown period and the restart under challenging conditions
28. Key underspends in capital expenditure relate:
- Environment is \$4.3m (7.1%) underspent – 3 Waters projects are less than budget (partly due to re-phasing in the Omāroro project).
 - Economic Development is \$2.7m (65.5%) underspent (based on revised December numbers)
 - Cultural wellbeing is \$2.4m (14.2%) overspent. This is on the Convention Centre project which will be ahead of plan.
 - Social & Recreation is \$7.4m (18.7%) underspent – Basin Reserve \$1.9m over budget (offset by recovered expenditure funding – per above).
 - Urban Development is \$22.6m (46.7%) underspent – Earthquake Risk Mitigation is \$15.6m (St James \$6.3m and Town Hall \$7.6m) and Central City Framework is \$3.7m

less than budgeted (North Lambton Quay dependant on decisions regarding LGWM).

- Transport is currently indicating a forecast \$14.2m (24.4%) underspend with the impacts of Covid-19 the main driver.

Compliance with Treasury Policy

- As at 31 March 2020 all of the core policy requirements were achieved.

Options

N/A

Next Actions

29. Monitoring of performance continues and the draft Annual Report scheduled for review at the Finance Audit and Risk Subcommittee workshop on 8 September 2020.

Attachments

Attachment 1. Quarter Three 2019/20 report [↓](#)

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| | |
|------------|--|
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| Authoriser | Andy Matthews, Chief Financial Officer Stephen McArthur, Director, Strategy and Governance |

SUPPORTING INFORMATION

Engagement and Consultation

This is a monitoring report and contributes to the transparency and accountability of the Council. It does not require engagement or consultation.

Treaty of Waitangi considerations

N/A

Financial implications

The report provides financial performance information for the year to date as at 31 March 2020.

Policy and legislative implications

N/A

Risks / legal

N/A

Climate Change impact and considerations

N/A

Communications Plan

N/A

Health and Safety Impact considered

N/A

Quarterly Performance Report

Year to date as at the end of Quarter Three 2019/20

(1 July 2019 - 31 March 2020)

Nau mai | Welcome

This report provides a summary of Wellington City Council's (the Council) operating performance for the 2019/20 financial year, up to the end of the relevant quarter.

Quarterly reports reflect the Council's current 10-year plan and annual plan. These documents are published on the Council's website (www.wcc.govt.nz). Our 10-year Plan has full details on our outcome indicators, performance measures and strategic priorities and supporting key projects.

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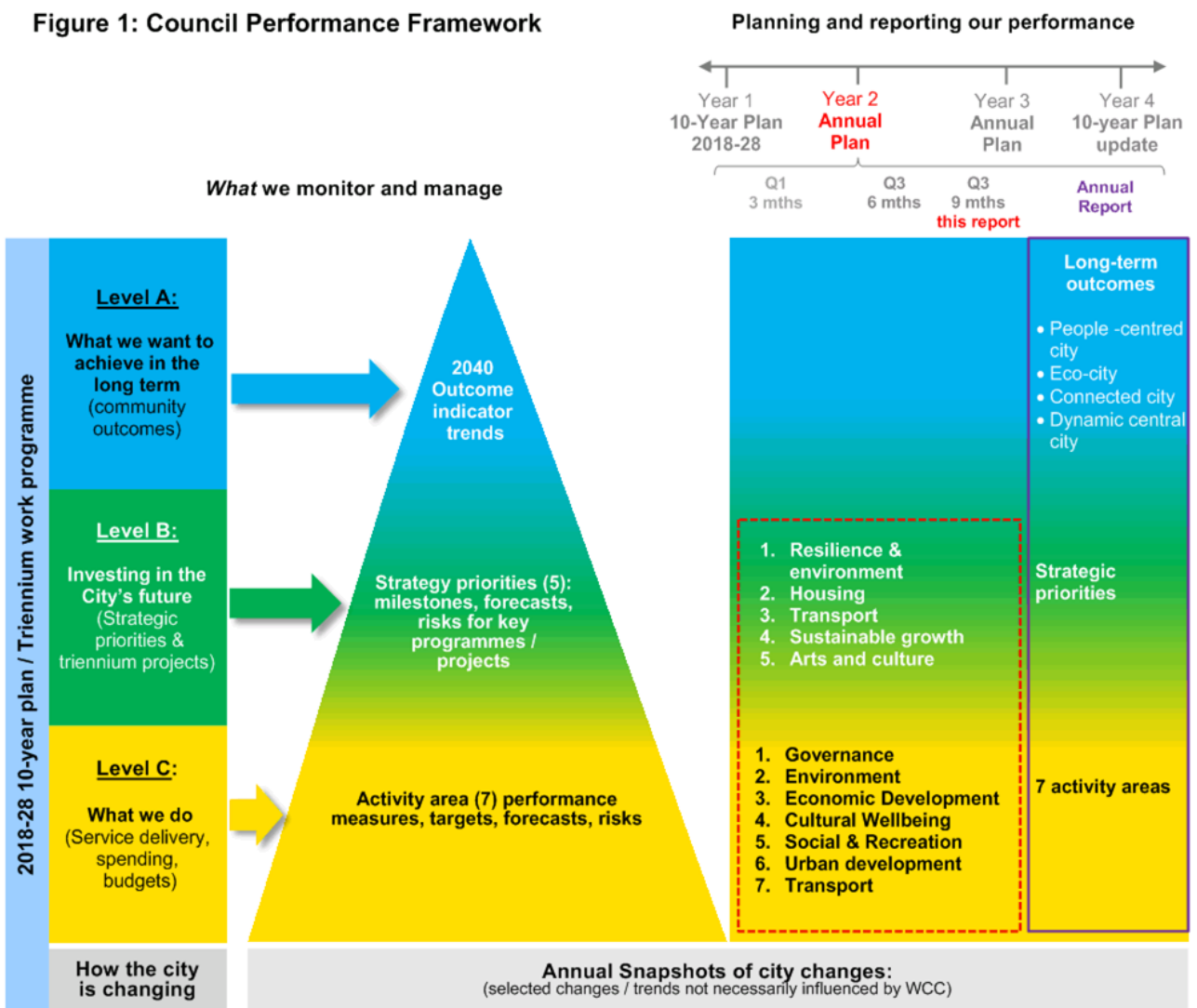
Introduction: What we report

Quarterly reports focus on operating performance, which is level B and C in our Performance Framework (Figure 1 below). The report includes commentary on what we did, status updates on key projects, material changes in performance measures (KPIs) and budgets, forecasts, and any risks that may influence future performance. Forecasts are based on an informed view of conditions that may influence future performance or results.

Exception reporting

Quarterly results are reported by exception and include KPI, achievements and budget performance. As the year progresses we include prior quarter(s) non-financial performance status for comparison refer Appendix One.

Figure 1: Council Performance Framework



How to read this report

What's being reported?

This report includes:

- a) progress updates for the significant projects in Our 10-Year Plan 2018-28
- b) performance KPI targets and budgets, key achievements, challenges /risks and where possible, year-end forecasts for our seven activity areas
- c) consolidated financial performance

The aim is to inform three key questions:

- Are we tracking as expected?
- Are we expecting to achieve year-end target?
- Are our responses to challenges sufficient to mitigate any undesirable impacts?

What information we include?

In general the information in the report covers relevant financial and non-financial information relating to operating performance. Activity areas KPIs cover quality, timeliness, affordability and utilisation.

Structure of this report

The summary and snapshots provide an overview of performance for the year up to the relevant quarter - drawing on the information in the following sections and appendices:

- [Section One](#) contains details on financial and non-financial performance (by exception) for each of the Council's seven key strategy areas.
- [Section Two](#) includes consolidated financial performance and performance for the Council as a whole.
- [Appendices](#) contain detailed information on KPI performance and budgets for the year to date.

How we rate status

To decide what is significant and therefore what to focus on in this report we use the status definitions that are defined in tables at the start of each section. The statuses use colours to clearly identify the projects, budget items or performance measures that need attention.

Reporting by exception

In general, only exception items are reported (with a status of red, amber or blue) in Sections 1 and 2. In general, our approach in this report is to focus on over and/or under performance (or by 'exception'). The blue highlight indicates over performance and the red highlight indicates under performance. Using a range for "met" of +/-10% allows for seasonal changes in performance. Amber is used for financial reporting where variance is >\$500k OR >10% off target.

Covid-19 Impact

It is noted that the practice of exception reporting based on year to date variances, does not naturally cater for the highlighting of the sudden onset of future risks to revenue resulting from the Covid-19 pandemic, as is forecast for Q4. Where this is anticipated additional narrative has been incorporated into the report for this quarter.

Performance data

Results are reported year-to-date. All information is current as at the end of the relevant quarter. A number of KPI results are gathered annually e.g. from an annual residents monitoring survey. All performance measure data for the full financial year is published in the Council's Annual Report.

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

Quarter overview

Impact of the COVID-19 pandemic

1. This report covers the period 1 January to 31 March 2020 which includes the preparation for, and three days of, the pandemic lockdown which commenced on 25 March. The report also provides an initial indication of the impacts of the Covid-19 pandemic on the full year financial forecasts. While the full impact of the pandemic remains uncertain we expect Quarter 4 (1 April - 30 June) will show significant performance results lower than target/ budget. This will also be reflected in the full year result as reported in the Annual Report.
2. Performance in last month of the quarter (March) has been impacted combination of:
 - a rapidly increasing global health threat form the COVID-19 virus
 - the impending and now known likelihood of a nationwide social and economic shutdown resulting in rapidly rising levels of social and economic uncertainty; and
 - the council implementing its pandemic lockdown plans including closure of facilities and resultant ceasing of a number of non-rates revenue streams.
3. These conditions have directly affected the Council's performance in this report - particularly in the last month of the quarter and to a greater degree the impact on forecast 4th quarter performance. The key pandemic related impacts include:
 - a) the delivery to plan on a number key significant capital projects is now unlikely – particularly some key 3 waters infrastructure projects.
 - b) the suspension of work across the project portfolio during the pandemic lockdown will result in an increased capital underspend - which is forecast to be \$55.4m by year end
 - c) third quarter key performance indicator (KPI) targets in a number of activity areas have not been achieved See Section 1: Activity area performance summary for details
 - d) all three waters performance reporting by Wellington Water Ltd (WWL) was suspended for the quarter to enable WWL to focus on delivering operational support to critical functions during lockdown; and
 - e) full year fees and charges revenue budgets will not be achieved. While the impact is not significantly evident in year to date actuals for the 9 months to March (in fact revenue is significantly ahead of budget), overall revenue is forecast to be \$12.4m behind budget at year end, a movement of \$24.2m from the pre-Covid-19 full year forecast. See Section 2 Financial summary for details.
4. We expect these impacts to continue well into the 2020/21 year. The 2019/20 full-year forecast net operating result is for a deficit of \$16m, compared to a budgeted surplus of \$5m. This \$21m variance is approximately equivalent to the forecast decrease in revenue directly related to the impact of Covid-19.
5. The full year forecast results will be subject to further change as:
 - pandemic related impacts emerge / can be qualified
 - the costs of actions taken by Council to support and boost our city, communities and residents' recovery from the pandemic flow through to the finances; and

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

- the extent to which there is sustainable social and economic recovery as the country emerges for the pandemic lock-down.
6. Where possible throughout this report we have included the impact of the pandemic on the Councils operations, KIPs and budget results for the quarter and in our full year forecast.
 7. Capital Expenditure was \$32m behind budget at the end of March due to some significant projects being suspended for review and programme delivery delays. This underspend is expected to increase to \$55.4m by year end because of delays due the suspension of works due to the Covid-19 lockdown.

Position prior to March 2020

8. Overall performance prior to March 2020 was:
 - Operating revenue and costs were generally on track, with increased income from Waste Operations and high volumes of consent applications offsetting expenditure pressures.
 - A failure of sewage sludge pipes under Mount Albert started to increase unbudgeted operating costs by the end of Q3 due to the need to transport the sludge to the landfill by truck. The additional expense pending pipe repair is forecast to be \$11.1m.
 - Capital expenditure is was under budget. This reflected a busy and constrained construction market meaning tendering processes are taking longer and tender prices are more volatile. Some projects are running behind schedule as a result.
 - Except where there has been direct pandemic impacts on particularly KPIs (detailed in the report), the Q3 result in this report suggests that leading into March the KPI performance trend was broadly consistent with previous quarters i.e.:
 - in quarter three (this report) 66% of KPIs with an available Q3 result were achieved or exceeded
 - in quarter two 77% of KPIs were achieved or exceeded ; and
 - in quarter one 79% of KPIs result were achieved or exceeded.
 - The Mayoral Taskforce (on issues facing the water services network and its management) was formed in Q3, met and has agreed terms of reference and will put action plan to Council by the end of June.
 - Like many Local Authorities, the Council's consenting area continued to face on-going capacity and capability challenges which has been a consistent theme in previous quarterly reports.
 - Improving in how we capture utilisation results has meant that there has been a drop in performance reported in the social and recreation activity area; and
 - Lower physical Library utilisation continued during the quarter as a result of limited access to the Central Library collections however online access continues to exceed expectations.
9. Quarter 4 performance information is included in the full year result in the Annual Report. We expect that the pandemic impacts will feature in the 2019/20 Annual Report.

Performance summary

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Appendices

Performance Summary - Quarter 3

| | |
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| a) Summary of key headlines | 8 |
| b) Snapshot of significant projects | 9 |
| c) Snapshot of performance measures | 15 |
| d) Snapshot of financial performance | 16 |

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

a) Summary of activity area key headlines for the quarter

Below is a summary of significant projects, performance measures and financial information. Details of these areas are in the three snapshots of the year that follow this summary. More details on what we did, what we spent and how we performed in the quarter can be found in Section One, Section Two and the Appendices.

| Activity area | Key headlines - a) Projects, b) Performance measures, c) Financial performance |
|------------------------------|--|
| Governance | <ul style="list-style-type: none"> a) No significant projects in progress this quarter b) All 5 performance measures with an available result were either on track or exceeded target. See also page 18 for details c) The operating expenditure budget was on budget and capital spending is forecast to be on budget. |
| Environment | <ul style="list-style-type: none"> a) Work continued on several pipeline and reservoir projects, as well as an extension to the Southern Landfill. For details see status in snapshot of significant projects page 9 b) 10 out of the 11 performance measures with an available result were on track or exceeded target at the end of the quarter. The one measure not met was related to Pars education programme attendance. Results for Wellington Water Limited were suspended for the quarter due to operational required for the pandemic response. See also page 21 for details c) The operating expenditure budget was overspent by 4% \$5.3m and the capital budget was underspent by 20% \$8.7m year to date. |
| Economic development | <ul style="list-style-type: none"> a) Work progressed on the Convention & Exhibition Centre project. See status in snapshot of significant projects page 9 b) 2 results were below expectation for progress towards annual target. See also page 26 for details c) The operating expenditure budget was on track and the capital expenditure budget was underspent by 43% \$1.3m year to date. |
| Cultural wellbeing | <ul style="list-style-type: none"> a) Work progressed on several venues that are being upgraded, including the Town Hall and St James Theatre. See status in snapshot of significant projects p7. b) 6 out of the 7 performance measures with an available result were exceeded or met at the end of the quarter. One was not on track to meet annual target. See also page 29 for details. c) The operating expenditure budget was on track and the capital budget was overspent by 51% \$5m. |
| Social and recreation | <ul style="list-style-type: none"> a) Waitohi opened in December. b) 19 out of the 37 performance measures with an available result were exceeded or met target at the end of the quarter. For details of the activities for the 18 measures "not met" See also page 33 for details c) The operating expenditure budget was underspent by 6% \$3.9m and the capital expenditure budget was underspent by 12% \$3.5m. |
| Urban development | <ul style="list-style-type: none"> a) Work continued on several urban development projects, including Planning for Growth and earthquake strengthening of priority buildings and venues. See status in snapshot of significant projects page 9 b) 5 out of the 7 performance measures with an available result were on track for the quarter. Two timeliness measures were not met. See also page 39 for details c) The operating expenditure budget was largely on track and capital expenditure budget was underspent by 39% \$12.3m year to date. |
| Transport | <ul style="list-style-type: none"> a) Work continued on Let's Get Wellington Moving and several cycleway projects. See status in snapshot of significant projects page 9 b) 6 out of the 8 performance measures were met. See also page 44 for details c) The operating expenditure budget was underspent by 21% \$7.5m and capital expenditure budget was underspent by 15% \$6.5m. |

Performance summary

Section 1: activity area performance











Section 2: financial performance

Appendices

b) Snapshot of significant projects

This snapshot summarises the progress status of the significant projects supporting our strategic priorities that are underway in the quarter. In the last month of the Quarter the Council's project portfolio ceased operations and a result of the pandemic lockdown. This is forecast to have an on-going impact on project delivery schedules for the foreseeable future,

Project **progress** status indicators are:

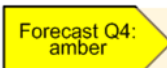
| Progress status for current phase | Status definition |
|---|---|
|  Green | Generally on track with no major risks identified |
|  Yellow | There is a level of uncertainty present that is being monitored by governance |
|  Amber | Moderate to major risks are being closely monitored by governance |
|  Red | Major risks are present that require intervention |
|  Purple | Indicative status - expect to be significantly impacted by the pandemic |
|      | Current programme / project phase and progress status colour |

Note: A work programme generally has multiple projects. The Forecast status is the expected progress status for the next period

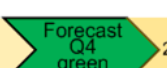
The investment in Council programmes or projects is assessed, managed and governed in phases. This ensures that there is a sustained focus on delivering the planned benefits over the life of the project. Significant programmes and projects receive on-going management focus. Investments are classified as 'significant' based on criteria including effort, impact, risk, cost, stakeholder interest and urgency.

Significant Projects/Programmes

Environment projects

| Programme, project or work stream (WS) | Project phases, progress and budget status | | | | | | Budget (\$m) | | | | |
|---|--|---------|------|---------|-------|----------|---|---------------|---------|---------|--------|
| | Conceive | Develop | Plan | Deliver | Close | Evaluate | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | | |
| Southern Landfill extension | | | | | | | | | | | |
| Previous progress status: yellow |  30/6/23(f) | | | | | | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | | Capex | \$23.55 | \$3.47 | \$3.53 | \$0.95 |
| Status Comment: Completed our 3rd Community engagement sessions. Most who attended viewed our concept design positively. Confirmation received that the Southern Landfill has been considered a regionally significant infrastructure which underpins the reclamation of the stream. Community interest continues and we continue to engage with interest groups and the local community as the project proceeds. The pandemic lockdown has delayed the consent application lodgement. Early indications are that the delays are likely minor. | | | | | | | | | | | |

Economic development / Arts and Culture

| Programme, project or work stream (WS) | Project phases, progress and budget status | | | | | | Budget (\$m) | | | | |
|---|---|---------|------|---------|-------|----------|---|--------------------|---------------|---------|---------|
| | Conceive | Develop | Plan | Deliver | Close | Evaluate | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | | |
| Convention & Exhibition Centre | | | | | | | | | | | |
| Previous progress status: green |  20/12/22(f) | | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. |
| | | | | | | | Capex | \$157.8 | \$11.77 | \$16.9 | \$6.2 |
| | | | | | | | Opex | \$0 | \$0.00 | \$1.2 | \$0.7 |

| | | | |
|---------------------|--------------------------------------|----------------------------------|------------|
| Performance summary | Section 1: activity area performance | Section 2: financial performance | Appendices |
|---------------------|--------------------------------------|----------------------------------|------------|

| Programme, project or work stream (WS) | Project phases, progress and budget status | Budget (\$m) |
|---|--|---|
| | | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) |
| <p>Status Comment: At the time of the pandemic shutdown the project was slightly ahead of schedule with piling works largely completed and concrete pours for only 50 pile casings remaining. Manufacture of the base isolators has been completed in the USA and these are either in port at Auckland or in transit. While the site is shutdown, work on procurement, shop drawings and planning continue. We expect to be able to recover from the shutdown delay across the balance of the programme.</p> | | |

Resilience projects

| Programme, project or work stream (WS) | Project phases, progress and budget status | Budget (\$m) | | | | | | | | | | | | |
|---|--|---|---------------|------------|--------------------|---------------|---------|---------|--|-------|---------|---------|---------|--------|
| | | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | | | | | | | | | | |
| <p>St James Theatre</p> <p><i>Previous progress status: amber</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: center;">\$m</td> <td style="width: 10%; text-align: center;">Total Project Bud.</td> <td style="width: 10%; text-align: center;">Spend to Date</td> <td style="width: 10%; text-align: center;">FY Bud.</td> <td style="width: 10%; text-align: center;">FY Act.</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;">Capex</td> <td style="text-align: center;">\$33.03</td> <td style="text-align: center;">\$10.19</td> <td style="text-align: center;">\$16.45</td> <td style="text-align: center;">\$6.21</td> </tr> </table> <p>Status Comment: Covid19 and the level 4 lockdown have resulted in the suspension of the Seismic Works and the Main Contract. External Project Manager, BECA and the Main Contractor, Maycroft, have been working closely together and with their consultant team, to identify and manage risks associated with COVID19. Due to the uncertainty around COVID19 And the significant impact to schedule, program, resources and budget, the overall status of the project has been updated to Red</p> | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | Capex | \$33.03 | \$10.19 | \$16.45 | \$6.21 |
| | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | |
| | Capex | \$33.03 | \$10.19 | \$16.45 | \$6.21 | | | | | | | | | |
| <p>Town Hall seismic strengthening</p> <p><i>Previous progress status: amber</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: center;">\$m</td> <td style="width: 10%; text-align: center;">Total Project Bud.</td> <td style="width: 10%; text-align: center;">Spend to Date</td> <td style="width: 10%; text-align: center;">FY Bud.</td> <td style="width: 10%; text-align: center;">FY Act.</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;">Capex</td> <td style="text-align: center;">\$111.2</td> <td style="text-align: center;">\$24.9</td> <td style="text-align: center;">\$18.44</td> <td style="text-align: center;">\$6.47</td> </tr> </table> <p>Status Comment: Construction was stopped with the site secured and closed Wed 25 March. As we move from level 3 to level 2 of the pandemic lockdown construction is restarting.</p> | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | Capex | \$111.2 | \$24.9 | \$18.44 | \$6.47 |
| | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | |
| | Capex | \$111.2 | \$24.9 | \$18.44 | \$6.47 | | | | | | | | | |
| <p>Mt Cook reservoirs and pipelines (Wellington Water Managed projects)</p> | | | | | | | | | | | | | | |
| <p>Wallace St pipeline</p> <p><i>Previous progress status: green</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: center;">\$m</td> <td style="width: 10%; text-align: center;">Total Project Bud.</td> <td style="width: 10%; text-align: center;">Spend to Date</td> <td style="width: 10%; text-align: center;">FY Bud.</td> <td style="width: 10%; text-align: center;">FY Act.</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;">Capex</td> <td style="text-align: center;">\$15</td> <td style="text-align: center;">\$11.1</td> <td style="text-align: center;">\$8</td> <td style="text-align: center;">\$7.9</td> </tr> </table> <p>Status Comment: Work on the main pipeline is progressing on schedule in Wallace Street. This is a challenging site - temporary traffic management has been established for Wallace Street, diverting traffic along Wright Street where traffic flows are as anticipated. At the end of March work was on hold as a result of the COVID-19 lockdown.</p> | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | Capex | \$15 | \$11.1 | \$8 | \$7.9 |
| | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | |
| | Capex | \$15 | \$11.1 | \$8 | \$7.9 | | | | | | | | | |
| <p>Omāroro Reservoir</p> <p><i>Previous progress status: amber</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: center;">\$m</td> <td style="width: 10%; text-align: center;">Total Project Bud.</td> <td style="width: 10%; text-align: center;">Spend to Date</td> <td style="width: 10%; text-align: center;">FY Bud.</td> <td style="width: 10%; text-align: center;">FY Act.</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;">Capex</td> <td style="text-align: center;">\$43.2</td> <td style="text-align: center;">\$2.4</td> <td style="text-align: center;">\$8.2</td> <td style="text-align: center;">\$1.2</td> </tr> </table> <p>Status Comment: At the end of the quarter this project is on hold subject to Council decisions, confirmation and awarding of the construction contract. Construction is now likely to be undertaken in 2020/21. Tendering has concluded and a preferred tenderer identified for construction of the reservoir. This is a complex project; risks and cost implications have been identified during the quarter and will be subsequently reported to Council.</p> | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | Capex | \$43.2 | \$2.4 | \$8.2 | \$1.2 |
| | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | |
| | Capex | \$43.2 | \$2.4 | \$8.2 | \$1.2 | | | | | | | | | |
| <p>Karori Network Improvements</p> <p><i>Previous progress status: amber</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="width: 10%; text-align: center;">\$m</td> <td style="width: 10%; text-align: center;">Total Project Bud.</td> <td style="width: 10%; text-align: center;">Spend to Date</td> <td style="width: 10%; text-align: center;">FY Bud.</td> <td style="width: 10%; text-align: center;">FY Act.</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;">Capex</td> <td style="text-align: center;">\$5.8</td> <td style="text-align: center;">\$0.4</td> <td style="text-align: center;">0.75</td> <td style="text-align: center;">\$0.1</td> </tr> </table> <p>Status Comment: The Monitoring and Technology Review Report (MTRR) was submitted to GWRC in December. Existing tunnel upgrades underway will create 1000m3 of storage. Karori WW options network modelling study start up meeting held December 2019. Reviews taking place of flow</p> | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | Capex | \$5.8 | \$0.4 | 0.75 | \$0.1 |
| | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | |
| | Capex | \$5.8 | \$0.4 | 0.75 | \$0.1 | | | | | | | | | |

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

| Programme, project or work stream (WS) | Project phases, progress and budget status | | | | | Budget (\$m) | | | | | |
|--|--|---------|------|---------|-------|--------------|---|----------------------|----------------|----------------|--|
| | Conceive | Develop | Plan | Deliver | Close | Evaluate | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | | |
| | monitoring data following work to reduce private inflows. WWL will agree a brief for the project with WCC as the budget may not be sufficient to deliver the outcome of resource consent in 2023. | | | | | | | | | | |
| Sludge Minimisation <i>Previous progress status: amber</i> | Current status | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | Capex | \$5.8 | \$0.4 | 0.75 | \$0.1 | |
| | Status Comment: The concept design brief is being revised following incident with breaks of sludge transfer pipeline which will include condition assessment of pipeline and option to relocate dewatering plant to Moa Point. A cost estimate will be provided as part of the concept design which is expected to be available in September 2020. | | | | | | | | | | |
| Te Ngākau / MOB Programme <i>Previous progress status: N/A</i> | Indicative current status | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | 20/12/22(f) | | | | | | | | | | |
| | Status Comment: The programme team are now working on the findings and recommendations of the completed phase (including remediation scenarios for the Central Library Building and MOB) which will be the basis for direction on next steps. This includes a paper to Council likely to be late July / early August 2020 | | | | | | | | | | |
| Library <i>Previous progress status: N/A</i> | Current status | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | Capex | \$5.29 | \$1.01 | \$5.24 | \$1.01 | |
| | Status Comment: Planning underway as part of overall Te Ngākau Programme, | | | | | | | | | | |
| CAB <i>Previous progress status: N/A</i> | Current status | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | Capex | \$17.78 | \$1.53 | \$1.0 | \$0.02 | |
| | Status Comment: This project is awaiting an outcome from the insurance claim. In the meantime this is a placeholder in anticipation of a project initiating. | | | | | | | | | | |
| Earthquake Prone Buildings (EPBs) | | | | | | | | | | | |
| <i>Previous progress status: yellow</i> | Forecast Q4: yellow | | | | | | | | | | |
| | Status Comment: For 2 of the 7 expired EPBs the owners have failed to progress strengthening work with 'reasonable speed.' In Dec. 2019 Council filed papers with the District Court seeking orders for Council to carry out seismic work and recover the costs from the owners. Both of the building owners have opposed the orders. A hearing later in 2020 is likely - depending on the transition out of the pandemic lockdown. | | | | | | | | | | |

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

Transport projects

| Programme, project or work stream (WS) | Project phases, progress and budget status | Budget (\$m) | | | | | | | | | | | | | | | |
|---|--|---|---------|--------------------|---------------|---------|---------|-------|---------|--------|--------|--------|------|----|----|----|----|
| | | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | | | | | | | | | | | | | |
| Bus Priority Plan | | | | | | | | | | | | | | | | | |
| Previous progress status: <i>green</i> | | | | | | | | | | | | | | | | | |
| Status Comment: The project is on track. | | | | | | | | | | | | | | | | | |
| Let's Get Wellington Moving Programme (jointly managed) | | | | | | | | | | | | | | | | | |
| LGWM - overall programme Previous progress status: <i>amber</i> | | <table border="1"> <thead> <tr> <th>\$m</th> <th>Total Project Bud.</th> <th>Spend to Date</th> <th>FY Bud.</th> <th>FY Act.</th> </tr> </thead> <tbody> <tr> <td>Capex</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Opex</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> </tr> </tbody> </table> | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | Capex | \$ | \$ | \$ | \$ | Opex | \$ | \$ | \$ | \$ |
| \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | | | | | |
| Capex | \$ | \$ | \$ | \$ | | | | | | | | | | | | | |
| Opex | \$ | \$ | \$ | \$ | | | | | | | | | | | | | |
| Status Comment: The LGWM programme has been progressing at a high pace, focussed on building programme foundations, while progressing the business case development for the longer term projects. At the request of the LGWM Board, LGWM has rapidly pivoted to respond to COVID-19, working with the LGWM partners to investigate potential 'shovel ready' projects or other projects that can be brought forward. This work is ongoing and the overall COVID-19 impact on the LGWM programme (and subsequent input to the WCC LTP) is still being assessed. There is significant risk that any further delays as a result of COVID-19 could impact the LGWM programme's optimal integration with WCC's requirements for input to the LTP. | | | | | | | | | | | | | | | | | |
| 1: City streets programme Previous progress status: <i>green</i> | | See above for budget | | | | | | | | | | | | | | | |
| Status comment: Work is underway to confirm the scope of the work stream. Following COVID-19, this work stream has also been temporarily re-tasked in the short term to provide advice to the LGWM programme and Council on potential temporary street changes and/or acceleration projects. | | | | | | | | | | | | | | | | | |
| 2: Early delivery programme Previous progress status: <i>green</i> | | See above for budget | | | | | | | | | | | | | | | |
| Status comment: The Early Delivery programme is largely on track, noting that the COVID-19 restrictions have led to engagement being delayed and the LGWM Board deciding to roll the proposed 'early wins' and trials for the Golden Mile and Thorndon Quay / Hutt Rd into the Single Stage Business Cases. The central city speed review hearings have been rescheduled to take place in May. | | | | | | | | | | | | | | | | | |
| Cycleways programme (5 projects) | | | | | | | | | | | | | | | | | |
| 1: The Parade Island Bay Previous progress status: <i>green</i> | | <table border="1"> <thead> <tr> <th>\$m</th> <th>Total Project Bud.</th> <th>Spend to Date</th> <th>FY Bud.</th> <th>FY Act.</th> </tr> </thead> <tbody> <tr> <td>Capex</td> <td>\$10.92</td> <td>\$5.11</td> <td>\$3.49</td> <td>\$2.95</td> </tr> </tbody> </table> | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | Capex | \$10.92 | \$5.11 | \$3.49 | \$2.95 | | | | | |
| \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | | | | | |
| Capex | \$10.92 | \$5.11 | \$3.49 | \$2.95 | | | | | | | | | | | | | |
| Status Comment: Project is delayed until the funding (and likely delivery) of Newtown Connections is in place, 2022 at the earliest. Detailed Business Case is on hold until funding for Newtown Connections is confirmed. Implementation can occur once the implementation for Newtown Connections is substantially complete. | | | | | | | | | | | | | | | | | |
| 2: Cobham Drive Previous progress status: <i>amber</i> | | <table border="1"> <thead> <tr> <th>\$m</th> <th>Total Project Bud.</th> <th>Spend to Date</th> <th>FY Bud.</th> <th>FY Act.</th> </tr> </thead> <tbody> <tr> <td>Capex</td> <td>\$8.4</td> <td>\$5.93</td> <td>\$4.3</td> <td>\$2.72</td> </tr> </tbody> </table> | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | Capex | \$8.4 | \$5.93 | \$4.3 | \$2.72 | | | | | |
| \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | | | | | | | | | | | | | |
| Capex | \$8.4 | \$5.93 | \$4.3 | \$2.72 | | | | | | | | | | | | | |
| Status Comment: The NZTA funding has been approved for the cost scope adjustments to undertake 310m of coastal protection works. During the detailed phase there is a desire to extend the rock revetment by 120m which is being considered. | | | | | | | | | | | | | | | | | |

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|---|--------------------------------------|----------------------------------|--------------------|---------------|---------|---------|
| 3: Evans Bay Stage 1 Previous progress status: yellow | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. |
| | | Capex | \$10.92 | \$5.11 | \$3.49 | \$2.95 |
| Status Comment: Part 1 of the project is under construction and progressing well. Approval was granted for Project Change Report 1.Part 2 and 3 of the project have Seawalls which require replacement. The Design consultants will be appointed to undertake the design work for these parts. | | | | | | |
| 4: Kilbirnie connections Previous progress status: red | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. |
| | | Capex | \$6.69M | \$3.44 | \$2.0 | \$0.92 |
| Status Comment: The Kilbirnie cycleway network is nearing completion except the Coutts St section which has been put on hold. | | | | | | |
| 5: Newtown connections Previous progress status: green | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. |
| | | Capex | \$ | \$ | \$ | \$ |
| Status Comment: The project is on hold until the parking policy consultation and resulting resolutions in the Newtown area have been approved. After that public consultation for Newtown can occur. A likely mid 2020 Interim delivery is being considered on Adelaide Rd between the Basin and John St in tandem with bus priority work. | | | | | | |

Urban planning and development projects

| Programme, project or work stream (WS) | Project phases, progress and budget status | | | | | Budget (\$m) | | | | | |
|---|--|---------|------|---------|-------|--------------|---|---------------|---------|---------|--|
| | Conceive | Develop | Plan | Deliver | Close | Evaluate | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | | |
| Planning for growth | | | | | | | | | | | |
| Spatial Plan: Previous progress status: green | | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | Opex | | | | | |
| Status Comment: Work during the period included readying the Draft Spatial Plan content to 'go live'. Workshops with consultants leading the LGWM Mass Rapid Transit and Strategic Highways workstreams to provide detail on draft Spatial Plan content. This will assist those projects in developing their Business Cases. Good engagement with - we have shared the draft Spatial Plan with the Taranaki Whanui representative iwi partner to assist input into the spatial plan. Following the pandemic lockdown this project is on-hold while new timings are considered. | | | | | | | | | | | |
| District Plan Review Previous progress status: green | | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | Capex | | | | | |
| Status Comment: Re-focus of the Place Planning Team onto the DP Review during the lockdown has provided the project with a 'shot in the arm'. Established clear process for drafting to ensure consistency. Development of Drafting Style Guide and Rule framework to assist with drafting provisions. Drafting of Network Utilities chapter about to get underway. | | | | | | | | | | | |
| Te Motu Kairangi Previous progress status: green | | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | WCC | \$2.65 | \$0.099 | \$0.242 | \$0.099 | |
| | | | | | | LINZ | \$4.8 | \$0.265 | \$1.49 | \$0.265 | |
| Status Comment: The next steps are work on the ecological and heritage assessments. This is subject to confirmation from LINZ, operational recovery and 'holding maintenance. We are waiting formal feedback from a meeting between LINZ, Iwi and the Minister. | | | | | | | | | | | |
| Shelly Bay | | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. | |
| | | | | | | Capex | | | | | |

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Status Comment: The project is in its establishment (conceive) phase. A Project Board has been established (first formal meeting 22 April) and work is underway to establish and define roles, responsibilities and deliverables etc. The project team are now working toward a briefing on a proposed way forward in May.

Social and Recreation

| Programme, project or work stream (WS) | Project phases, progress and budget status | | | | | Budget (\$m) | | | | |
|--|--|---------|---------|---------|--------|--------------|---|---------------|---------|---------|
| | Conceive | Develop | Plan | Deliver | Close | Evaluate | (Capex = Capital expenditure; FY Bud. = Full year budget; FY Act. = Full year actual; Opex = Operational expenditure) | | | |
| Johnsonville Community Hub (Waitohi) <i>Previous progress status: green</i> | | | | | | \$m | Total Project Bud. | Spend to Date | FY Bud. | FY Act. |
| | Capex | \$22.83 | \$22.07 | \$3.93 | \$4.75 | | | | | |
| Status Comment: This project is currently approaching the close stage. The project will be closed once a Project Closure report has been received and approved by the Senior Responsible Officer. | | | | | | | | | | |

Other project updates

| Urban planning and development - Planning for Growth Programme | | |
|--|--|------------------------------------|
| Project | Phase and status | Comment |
| 1. Moe-i-te-Rā Reservoir | Phase: Deliver Current progress status: On-hold | Project is under review. |
| 2. Bell Road Pipelines | Phase: Deliver Current progress status: On-hold | Project is under review. |
| 3. Newtown Connections | Phase: Plan Current progress status: On-hold | Project is on hold until mid-2020. |

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c) Snapshot of performance measures

In the last month of the Quarter the Council's ceased operations and a result of the pandemic lockdown. This is forecast to have an on-going impact on KPI performance for the foreseeable future. The early impact of the pandemic lockdown on specific KPI performance is indicated in the commentary for each activity area in Section One of this report

| Performance Measures (KPIs) Status | | | | |
|---|---|--------------------------------------|--------------------------------|-------------------------|
| | Target not met by >10% | Target met - within +/-10% of target | Target exceeded by >10% target | Status not applicable** |
| Total Q3 performance measures | 26 | 38 | 13 | 50 |
| 1. Governance: 5 KPIs reported | 0 | 4 | 1 | 3 |
| <i>Favourable variance for the quarter related to facilitating decision making (provision of meeting agendas).</i> | | | | |
| 2. Environment: 11 KPIs reported | 1 | 6 | 4 | 36 |
| <i>Positive variance for Council corporate estimated energy savings however this is due to the closure of several corporate buildings and inaccurate meter readings that will be reviewed after lockdown Zealandia visitor numbers prior to lockdown continued to exceed expectations. No performance report results included for Wellington Water measures due to the pandemic response.</i> | | | | |
| 3. Economic development: 2 KPIs | 2 | 0 | 0 | 3 |
| <i>Year to date results from WellingtonNZ (WREDA) indicate that performance is below expectation and with COVID-19 impacts, will be unlikely to achieve targets. More information expected from CCO report.</i> | | | | |
| 4. Cultural wellbeing: 7 KPIs | 1 | 5 | 1 | 2 |
| <i>Confirmed results for favourable (Capital E) and unfavourable (Nairn St Cottage) variances related to Wellington Museums Trust visitor numbers will be obtained from CCO reporting.</i> | | | | |
| 5. Social and recreation: 37 KPIs | 18 | 12 | 7 | 5 |
| <i>Refer to variance commentary –negative variance recorded against all three activity areas. Positive results continue for libraries online usage, Basin Reserve, and Tawa and Nairnville Recreation centres.</i> | | | | |
| 6. Urban development: 7 KPIs reported | 2 | 5 | 0 | 0 |
| <i>KPIs with unfavourable variances related to timeliness (issuing of building consents and LIMs).</i> | | | | |
| 7. Transport: 8 KPIs reported | 2 | 6 | 0 | 1 |
| <i>KPIs with unfavourable variances related to Wellington Cable Car utilisation and revenue.</i> | | | | |
| ** "Not applicable" means either the KPI data was unavailable at the time of publication (including seasonal measures) or that it was not appropriate to compare the result against target (e.g. target not set, status inconclusive). KPIs with available results are shown in Appendix 1 | | | | |
| KPI indicator | Definition | | | |
| Blue | Target exceeded by >10% | | | |
| Green | Target met (i.e. actual result is between 10% under and 10% over target) | | | |
| Red | Target not met: >10% under target | | | |
| Not applicable | Status or data not reported or not measured against target (number of measures) | | | |

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c) Snapshot of financial performance

| Overall Council Budget - YTD March 2020 | | |
|--|--------------------|--|
| Total revenue – \$000s | | |
| Actual: \$389,173 | Budget: \$377,357 | Variance: \$11,815 or +3% |
| | | Full year Forecast: \$534,526 Budget: \$545,070 Variance: (\$10,544) |
| Operating expenditure – \$000s | | |
| Actual: \$402,231 | Budget: \$399,518 | Variance: (\$2,713) or -1% |
| | | Full year Forecast: \$550,621 Budget: \$540,030 Variance: (\$10,591) |
| Total surplus / (deficit) – \$000s | | |
| Actual: (\$13,058) | Budget: (\$22,180) | Variance: \$9,122 or +41% |
| | | Full year Forecast: (\$16,031) Budget: \$5,040 Variance: (\$21,071) |
| <i>Underspend: \$11m of variance due to increased income from waste activities and "other".</i> | | |
| Capital expenditure – \$000s | | |
| Actual: \$151,947 | Budget: \$183,967 | Variance: \$32,021 or 17% |
| | | Full year Forecast: \$203,856 Budget: \$259,272 Variance: \$55.4m or 21% |
| <i>Underspend: The capital expenditure underspend largely relates to three waters projects, resilience work and the libraries programme.</i> | | |

| Financial indicator | Definition |
|---------------------|--|
| Blue | Favourable variance – this means actual result has exceeded budget by greater than 10% and greater than \$500k (applies to Revenue and Total surplus only) |
| Green | Target met (i.e. actual result is between 10% under and 10% over target) |
| Amber | Target not met (i.e. actual result is greater than 10% under /over target OR variance is greater than \$500k off target) |
| Red | Unfavourable variance – this means target has not been not met by a significant amount (i.e. the actual result is greater than 10% under /over target AND greater than \$500k off target) |
| Black line | Indicates position of the quarter financial performance on the scale. |

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Section One: Activity area performance

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This section provides the end of quarter results **by exception** for performance measure and financial budget in each of the Council's activity areas. The results are reported using the following definitions:

| Measure indicator | Definition |
|--------------------------------|--|
| Blue | Target exceeded (i.e. the actual result is greater than 10% over target) |
| Green | Target met (i.e. actual result is between 10% under and 10% over target) |
| Red | Target not met (i.e. the actual result is greater than 10% under target) |
| Not applicable | Status or data not reported or not measured against target (number of measures) |
| Financial indicator | Definition |
| On track | Budget met (i.e. actual result is between 10% under and 10% over budget) – Not shown in this section as only exceptions are reported. |
| Underspend or Overspend | Budget mostly met (i.e. actual result is greater than 10% under /over budget OR variance is greater than \$500k off budget) |
| Underspend or Overspend | Budget not met (i.e. the actual result is greater than 10% under /over budget AND greater than \$500k off budget) |

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Pārongo ā-tāone | Governance

Aim: *Maintain confidence in decision-making and ensuring that the views of Māori and mana whenua are heard.*

Key activity groups: *Governance, information and engagement; Māori and mana whenua partnerships*

There are a total of 17 non-financial performance measures in this activity area, nine are only reported annually (of these three are mandatory measures required by statute) and three measures are reported without comparison to target (volumes of call and emails and city archives).

Quarter 3 performance and budget overview

Of the five KPIs with an available result, four had met the set targets and one had exceeded its target at the end of the quarter. The KPI that exceeded its target was availability of meeting agendas.

The Governance operating budget was slightly over budget and capital expenditure is on track.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | |
|---------------------------------------|---|---|--------|--------|--------------|-------------|-----------|--|
| | | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| Target not met by >10% | 0 | Revenue | (415) | (765) | (350) | (1,111) | (894) | Over budget due to increased recovered expenditure revenue (i.e. elections), partially offset by increased expenses below. |
| Target met - within +/- 10% of target | 4 | Expenditure | 14,930 | 15,089 | 159 | 19,511 | 19,901 | Within 1% of budget |
| Target exceeded by >10% target | 1 | Net operating expenditure | 14,515 | 14,325 | (191) -1% | 18,401 | 19,007 | Favourable predominantly due to increase recovered expenditure revenue and lower than expected remunerations costs. |
| Not applicable | 3 | Capital expenditure | 48 | 90 | 42 47% | 145 | 145 | Under budget due to delays in purchasing. Full Year budget is expected to be spent. |

What we did

Meetings

Democracy Services

Q3 was the first full quarter of Council meetings this triennium. There was a total of 10 Council, committee, subcommittee, and joint committee meetings in the quarter. Advisory Group meetings also started for the year, with a focus on planning for the year ahead.

One of those meetings was the first ever Wellington City Council emergency meeting. It was held ahead of the COVID 19 lockdown and adapted Council's delegations so that important decisions could continue to be made in a lawful way.

A highlight for the quarter was Council agreeing to adopt a new set of Standing Orders. This project has

been in the works for several years. The new Standing Orders will ensure that Council's decision-making processes during meetings are as robust as possible.

City archives

We continued to add content to Archives Online, our new online search and access system, which went live in December 2020.

Archives Online allowed our access services to remain operating during level 4 lockdown. However as the Digitisation Team were not operating only provided access to digitised content, At Alert Level 3 digitisation has recommenced so our full online services are now operating.

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Contact Centre

During the quarter, the contact centre responded to 63,755 calls. There was a 240% increase in emails increasing from 4,125 in Q2 to 9,901 emails in Q3, with all responded to within 24 hours.

Strategy and Policy

During the quarter policies adopted, approved or in consultation were:

- Adopted - the new Part 1 of the Consolidated Bylaw
- Approved - the draft Parking Policy Consultation documents
- Consultation - commenced Consultation on the Parking Policy

We also supported the Fale Malae proposal, the draft social Housing policy proposals, and Te Kainga proposals

Policy development work continued on:

- Amended Alcohol Fees Bylaw – on hold during the COVID period
- with the appearance industry on a revised Public Health Bylaw, and with business units on revising the Footpath Management and Trading in Public Places Policies
- the International Relations Strategy; and
- the Advisory Group Review

Ina addition to our policy development programme co-ordinated and / or provided input to the:

- Climate Change Response (Emissions Trading Reform) Bill
- Urban Development Bill
- Infrastructure Funding and Financing Bill; and
- Taumata Arowai – the Water Regulator Bill
- Inquiry into the 2019 Local Elections and Liquor Licencing Trust Elections and Recent Energy Trust Elections; and

- Resource Management System Review

Māori and mana whenua partnerships

Mayor Foster and Councillor Day selected their 2020 Tuia Rangatahi mentees - Kirihika Stewart and Peta Tangiwai respectively.

In February we hosted the annual Te Rā o Waitangi free concert at Waitangi Park. On the stage were kapa haka performances by Te Kura Kaupapa Māori o Ngā Mokopuna and Ngāti Pōneke Young Māori Club. Concert performances by:

- Amba Holly
- Mara TK, Mark Vanilau + AJA
- Ria Hall
- H4LF CĀST
- Tunes of I
- Newtown Rocksteady

11 February – We sponsored the annual Rā Haka held at ASB Sports Centre. This annual event brings college students from across the region together to learn local haka that supports college, regional and national events.

Throughout the third quarter Tira Poutama and City Design Place Planning have been working together with iwi representatives and Māori design practitioners to develop a set of principles to incorporate in the city build work programme and design guides.

Conversations have been held with iwi leaders to review our current Memoranda of Understanding with iwi entities. Drafting is still in progress and the signing ceremony postponed due to COVID-19 lockdown.

Detailed quarter performance

The following budget item(s) and performance measure(s) are those with a result that is greater than 10 percent of target or 10 percent / \$500k off budget. Variances greater than 10 percent can indicate, for example, underutilised resources, insufficient capacity etc. Full details on performance measures are in Appendix 1. Details on capital and operating expenditure are in Appendix 2.

Financial performance by exception

| Operating expenditure by exception (> 10% & \$500k of budget) \$000s | | | | | |
|--|--------------|--------|----------|-----------|--------|
| Activity | Year to date | | | Full year | |
| | Actual | Budget | Variance | Forecast | Budget |
| There are no operating expenditure exceptions to report. | | | | | |

| Capital expenditure by exception (> 10% & \$500k of budget) \$000s | | | | | |
|--|--|--|--|--|--|
| There are no capital expenditure exceptions to report. | | | | | |

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Performance measures (KPIs) by exception

| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|--|----------------|----------------|--------|--------|----------|--|
| 1.1 Governance information and engagement | | | | | | |
| <i>Facilitating democratic decision making</i> | | | | | | |
| Meeting and committee agendas (%) made available to the public at least 4 days prior to meetings | 97% | 70% | 94% | 70% | 34% | Continuation of strong performance. |

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Taiao | Environment

Aim: *Protect, restore and enhance Wellington's natural environment*

Key activity groups: *Gardens, beaches and green open spaces; Waste reduction and energy conservation; Water supply; Wastewater; Stormwater; Conservation attractions*

There are a total of 59 non-financial performance measures in this activity area, 18 are only reported annually, 26 are mandatory measures required by statute and two measures are reported without comparison to target.

Quarter 3 performance and budget overview

10 out of the 11 KPIs with an available result met or exceeded target at the end of the quarter. All three waters performance reporting by Wellington Water Ltd (WWL) was suspended for the quarter to enable WWL to focus on delivering operational support to critical functions during lockdown. This means that 31 KPIs were not reported by Wellington Water for quarter 3.

The overall operating budget result was on track and the capital budget was underspent by 20%.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | |
|---------------------------------------|----|---|----------|----------------|-------------|-----------|--|
| | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| Target not met by >10% | 1 | (18,369) | (15,543) | 2,826 | (23,482) | (21,186) | Ahead of budget due to Higher than budget due to Landfill income being ahead of plan owing to substantial amount of contaminated and asbestos contaminated waste arising from large scale construction projects in and around Wellington. |
| Target met - within +/- 10% of target | 6 | 145,467 | 137,310 | (8,157) | 193,805 | 182,721 | Within 6% of budget overall however wastewater was 22% over budget due to the failure of the sludge pipeline (causing transportation, investigation and repair costs) and the repairs owing to the CBD tunnel collapse in Willis Street. |
| Target exceeded by >10% target | 4 | 127,098 | 121,767 | (5,331) -4% | 170,323 | 161,534 | Over budget due to the failure of the Mt Albert high pressure sludge pipeline (which necessitated the trucking of the sludge to the landfill, investigation and repair costs). Total costs regarding the Mt Albert issue are expected to be in the order of \$11.1m. Additionally there were repairs following the CBD tunnel collapse in Willis/Dixon Streets. These costs were partially offset by higher than planned income at the landfill. |
| Not applicable | 36 | 34,649 | 43,335 | 8,687 20% | 56,718 | 61,054 | Under budget through delays to Omāroro reservoir (now on hold) and Kent Terrace project work |

| | | | | | | | | | |
|---------------------------|--|---|--|--|----------------------------------|--|--|------------|--|
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| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | | |
| | | | | | | | | | (now likely to be undertaken in 2020/21) and the re-phasing of the Coastal programme of works. The Full Year forecast has been amended for this and is partially offset by the Wallace Street network project being ahead of plan. WWL review their work programme in order to mitigate the impacts of the Wastewater failures and Covid-19. |

What we did

Animal & Weed Control

An Urban Ecology GIS spatial tool has been developed bringing together weed control, restoration planting and pest animal control operations. The train the trainer program for volunteers trapping is now up and running and further tools for community champions are under development. The annual possum control operation in Te Kopahou Reserve has been completed. Makara Peak possum control operations have been contracted to the GWRC Biosecurity Team in order to strengthen the Zealandia halo possum control network. We continued to work closely with GWRC to control rabbits on high value planting sites. Goat control operations are being managed in tighter buffer-zones around re-invasion areas, limiting goat movement into high ecological value sites.

Predator Free Wellington

Very low numbers of rats remain on the peninsula and Predator Free Wellington continues to work to eradicate remaining populations. Rat-proofing compost kits are now on sale at a subsidised price at the Tip Shop and the Sustainability Trust, as well as online. A do-it-yourself rat-proofing video was completed and posted on Facebook. It received 2400 views and 11 shares. Community groups have been trained to implement the biosecurity plan for Miramar. Planning for phase 2 of the project is underway, and a decision on the extent of the operational area will be made by 1 July 2020.

Makara Peak Mountain Bike Park

The upgrade work for the main carpark and entranceway is now complete and the new public toilets and showers are open and operational. We are continuing the building of the new track 20, a grade 3 uphill track from Makara Hill road entrance to the summit. The main construction of the track is complete,

with just gravelling to go. This will be completed and the track open for use in Q4.

Waterfront

The Waterfront enjoyed a popular summer programme of events including working alongside Waterfront stakeholders to present the inaugural Summer Programme under the sails on Queens Wharf and was the venue for a much larger and more spectacular Wellington Lantern Festival which drew thousands of people over Valentines Weekend. Queens Wharf and Chaffers Marina hosted 2 person crews and their supporters from the Evolution Sails Round North Island Race (the Short Handed Sailing Race) in late February.

A number of technical reports have now been completed for waterfront buildings including Shed 1 and Shed 5. These reports have identified the need for significant maintenance and renewal work to address issues of weather tightness and resilience for these tenanted buildings. This work is considered a high priority. Officers are now considering the wider waterfront capital works programme and the options and available budgets to undertake this work. It is likely that additional capital funding or reprioritisation of projects will be required to enable these projects to be undertaken in the 2020/21 financial year.

Newlands Park Upgrade

Work is nearly complete on the construction of the upper field loop track. We continue to work on the design and engineering for the playground and surrounding area, with work expected to start on this part of the project in the second quarter of 20/21.

Park/Asset Improvements

Work has started on improving the Oban Street entrance to Trelissick Park which includes a new bridge. The engineering, consenting and tendering for

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the bridge work has been completed. Funding for the bridge has come from the community, and the build is being managed by Council. Retaining work has been completed for Owhiro Stream to improve resilience, and remediation works completed on a slip on Oriental Terrace. The anti-corrosion work on the Whairepo Lagoon Bridge on the Waterfront is nearly complete.

Wellington Gardens

January brought the Gardens Magic event to the Sound shell, with thousands of people enjoying free live music and light shows over several days. During this time three sculptures were also installed, loaned by the artists and which generated a large number of positive comments from the public. Staff at the Botanic Garden initiated trials for a beautiful weed, Agapanthus, to find a form that has many flowers but fewer impacts on the environment. The goal is to identify a way to continue to grow the plant as an ornamental without impacting native species. They join four other gardens across New Zealand in the study and will publish results next year. Planning work continues on the interior redesign of the information centre at Otari-Wilton's Bush. Story Inc, the Otari team, and Council's Creative and Brand staff are working together to create engaging and educational displays. The Lab at Otari-Wilton's Bush is continuing research into cryopreservation protocols and procedures for threatened species, and a paper on the ex situ conservation of Myrtaceae in New Zealand was accepted for publication in the NZ Journal of Botany. This is based on collaborative work done between Plant and Food Research, Otari Native Botanic Garden and Te Papa.

Energy conservation

Te Atakura Implementation:

Earned \$50k of co-funding from the government for 4 Fast Electric Vehicle Chargers at the Waitohi Community Hub

Energy consumption: Gas meter readings for the quarter are estimates as meter reads for March being unavailable as a result of the pandemic lockdown. This means that there is lower gas usage reported than would be seen for the equivalent period. The electricity usage is recorded using smart meters meaning that the information in this report is accurate and up to date

Temperature: The average temperature for the 2020 period was 0.93deg lower than 2019. We would expect to see a slight increase in electricity and gas for heating

Street lighting: The transition to LEDs was completed last year. We expect to see a small difference from here based on hours of darkness

TOU - A decrease in consumption is mainly due to sites being closed for construction. These sites include: Town Hall, MOB, Central Library, and St James.

NHH - The NHH sites have seen an increase in consumption and expenditure due to the increase amount of new connections for new public toilets, libraries and other facilities

COVID-19 - For a last two weeks of March WCC sites and facilities were progressively closed in response to the pandemic lockdown period

Wellington Zoo

During the quarter the Zoo ran its standing annual events: the 15th annual Neighbours' Night BBQ in January with just under 2,000 local community members in attendance; its most successful Valentine's Night yet with 929 attendees, 114 more than last year; and Zoo Twilights in March (1,300 visitors for three of the five Fridays in March compared to a 2,053 total in 2019).

Essential Zoo staff worked tirelessly during the Alert Level 4 lockdown to keep the animals well fed, cared for and safe. With the return to Alert Level 2 on Thursday 14th May (today) the Zoo is welcoming its Zoo Crew members back. On Monday 18th May the Zoo begins its free entry Zoo visits to the public. Already it has experienced a very high level of bookings these twice daily sessions.

Zealandia

Zealandia hosted 45,006 visitors during the quarter up from 44,928 last year. During the quarter, 11,236 visitors chose to visit the sanctuary through a tours experience, up from 9,869 visitors last year. Summer in the Sanctuary is part of the programme for School Holiday providers and ZEALANDIA hosted over 400 young people from across the Wellington region.

From Saturday 16th May until the end of June ZEALANDIA will be open to the public with free entry, supported by Wellington City Council. This is one of several initiatives to help support Wellington as we recover from the Alert Level 4 lockdown forced by COVID-19.

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Water, Wastewater and Stormwater - Wellington Water Limited (WWL)

Due to impact of the pandemic on WWL operations it was agreed with WCC Executive to suspend reporting

for Q3. The performance results will be included in analysis for the Annual Report.

Detailed quarter performance by exception

The following budget item(s) and performance measure(s) are those with a result that is greater than 10 percent of target or 10 percent / \$500k off budget. Variances greater than 10 percent can indicate, for example, underutilised resources, insufficient capacity etc. Full details on performance measures are in Appendix 1. Details on capital and operating expenditure are in Appendix 2.

Financial performance by exception

| Operating expenditure by exception (> 10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|----------|----------|------|-----------|----------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 2.2 Revenue | (15,034) | (12,135) | 2,899 | 24% | (18,868) | (16,722) |
| 2.2 Gross expenditure | 13,915 | 13,273 | (641) | -5% | 17,635 | 18,084 |
| 2.2 Waste reduction, energy conservation | (1,119) | 1,138 | 2,257 | 198% | (1,233) | 1,361 |
| Net underspend: Under budget due to Landfill income being ahead of plan owing to substantial amount of contaminated and asbestos contaminated waste arising from large scale construction projects in and around Wellington. | | | | | | |
| 2.4 Revenue | (707) | (951) | (243) | -26% | (1,537) | (1,267) |
| 2.4 Gross expenditure | 43,264 | 35,600 | (7,665) | -22% | 58,822 | 47,515 |
| 2.4 Waste water | 42,557 | 34,649 | (7,908) | -23% | 57,285 | 46,248 |
| Net overspend: Over budget due to the failure of the sludge pipeline (causing transportation, investigation and repair costs) and the repairs owing to the CBD tunnel collapse in Willis Street. WWL advise that their latest forecast includes an over spend of \$11.638m in the waste water operational activities that they manage arising from the Mt Albert pipeline and CBD tunnel failures. These over spends are partially offset by forecast under spends in the Waste Water treatment plants and BAU network maintenance and repairs. (NB. they do not manage stewardship costs such as depreciation, insurance etc.). | | | | | | |

| Capital expenditure by exception (> 10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|--------|----------|------|-----------|--------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 2.1 Gardens beaches and green open spaces | 4,482 | 5,572 | 1,090 | 20% | 5,386 | 10,012 |
| Underspend: Under budget mainly due to re-phasing of the Coastal programme of works. The Full Year forecast has been amended for this. | | | | | | |
| 2.2 Waste Reduction | 1,163 | 2,844 | 1,681 | 59% | 3,473 | 5,558 |
| Underspend: Under budget on the Landfill stage 4 development due to consent delays. | | | | | | |
| 2.3 Water network | 17,128 | 22,881 | 5,753 | 25% | 29,792 | 26,916 |
| Underspend: Under budget with the Omāroro project on hold subject to Council decisions, confirmation and awarding of the construction contract. Construction is now likely to be undertaken in 2020/21. The Wallace Street network project is however ahead of plan and driving the forecast over spend. The full year forecast is subject to further change as pandemic related impacts can be qualified. | | | | | | |
| 2.4 Waste water | 8,228 | 6,085 | (2,144) | -35% | 5,357 | 9,278 |
| Overspend: Over budget as a consequence of the recent failures in the sludge pipeline (resulting in trucking sludge to the landfill), CBD tunnel and Cuba Street interceptor. | | | | | | |
| 2.5 Storm water | 2,879 | 5,337 | 2,459 | 46% | 11,536 | 7,333 |
| Underspend: Under budget through the programme being behind plan, chiefly work on Kent Terrace. The forecast will be revised as WWL review their work programme in order to mitigate the impacts of the Wastewater failures and Covid-19. | | | | | | |

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Performance measures (KPIs) by exception

| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|---|----------------|----------------|-----------|-----------|----------|--|
| 2.1 Parks, beaches and open spaces | | | | | | |
| <i>Utilisation</i> | | | | | | |
| Number of formal education attendees at Council programmes (School & Community) | 2,102 | increase | 1145 | 1561 | -26% | Number down in Q3 due to weather & to a lesser extent Covid19 |
| 2.2 Waste reduction and energy conservation | | | | | | |
| <i>Energy conservation</i> | | | | | | |
| Estimated energy savings (kWh) | 3,890,568 | 2,541,201 | 4,105,601 | 1,889,548 | +117% | The gas consumption at Civic Estate was overestimated in December and then corrected with a new reading in January. The gas usage at the Michael Fowler Centre has been estimated at less than actual consumption. We are currently working with the retailers to have this account reported accurately and our expectation that actual consumption will be higher on a valid reading. The pandemic lockdown meant natural gas meter readings could not be taken across all WCC resulting in a significantly lower than expected consumption for March. Valid consumption readings will be reported in Annual Report following a full updated readings of all meters |
| 2.6 Conservation attractions | | | | | | |
| <i>Zealandia</i> | | | | | | |
| Total number of visitors | 138,141 | 118100 | 108,342 | 94,247 | +15% | ZEALANDIA hosted 45,006 visitors during the quarter up from 44,928 last year. |
| Number of education visitors | 11,727 | 8,800 | 7,674 | 6,566 | +17% | Summer in the Sanctuary is part of the programme for School Holiday providers and ZEALANDIA hosted over 400 young people from across the Wellington region. |
| Number of individual memberships | 10,932 | 11,000 | 12,573 | 11,000 | +14% | Continued strong performance. |

As per above there is no performance reporting for Wellington Water Limited for Q3 due to COVID-19. There was also a delay to reporting from CCOs.

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Whanaketanga ōhanga | Economic development

Aim: Support city promotions, events and attractions, to enhance Wellington’s reputation as a great place to live and visit.

Key groups of activities: City promotions and business support

There are a total of 11 non-financial performance measures in this activity area, 6 are only reported annually (of these 3 are mandatory measures required by statute) and one measure is reported without comparison to target.

Pandemic support to businesses

MBIE have advised WellingtonNZ that funding to support Covid-19 affected businesses is to be delivered through the Regional Business Partner programme. In response 513 regional businesses had been supported in the year to date to 31 March. This number has increased significantly in response to COVID-19 and has been one of the key activities of WellingtonNZ in its response work under COVID-19. WellingtonNZ is also working closely with Te Puni Kokiri and other agencies to provide joined-up Maori business support.

At the end of the Quarter a number of programmes were on hold as a result of the response to the pandemic lockdown, these included the Lightning Lab Tourism Accelerator which was due to run in April.

Quarter 3 performance and budget overview

Although WCC economic development KPIs have targets set annually, status is reported against year-to-date progress. Two results reported are not showing satisfactory progress towards achievement of these annual goals and one is tracking to exceed target.

Operating expenditure was on track and capital expenditure was underspent during the quarter.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | |
|--------------------------------------|---|---|--------|--------|--------------|-------------|-----------|---|
| | | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| Target not met by >10% | 2 | Revenue | (300) | (179) | 121 | (11,126) | (14,953) | Higher than budget due to reimbursements from staff participants on September China trip. |
| Target met - within +/-10% of target | 0 | Expenditure | 19,254 | 19,836 | 582 | 34,132 | 38,108 | Within 3% of budget. Under budget YTD and forecast due to depreciation and grant expenses being lower YTD than planned. |
| Target exceeded by >10% target | 0 | Net operating expenditure | 18,954 | 19,657 | 703 4% | 23,005 | 23,154 | Under budget YTD and forecast due to depreciation and grant expenses being lower YTD than planned. |
| Not applicable | 3 | Capital expenditure | 1,741 | 3,028 | 1,287 43% | 1,427 | 4,139 | Under budget. The forecast under spend is chiefly on the St James theatre where earthquake strengthening will need to be completed before other renewal work can commence. This has also been impacted by Covid-19. |

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What we did

Activity in the Wellington screen sector has been steady activity through Q3 with 37 projects worth \$4.5m. This included Korean pop band ONEUS shot their latest music video in the Wellington region (average 9 million views on YouTube). Also, several feature films commenced principal photography throughout the region but have halted production due to COVID-19. COVID-19 has seen Screen Wellington co-found a sector response group to assist the sector re-start.

At CreativeHQ, 27 new ventures have undergone the incubation programme in the year to 31 March 2020, with 9 investor-ready exits so far. CreativeHQ has also begun a new partnership with Porirua City Council to deliver incubation services via Porirua's co-working space, The Settlement.

Major events

WellingtonNZ has completed a refreshed strategic framework for Major Events investment to provide a more coordinated and integrated approach to investments in Major Events over the next decade. Planning is now underway for how the city can best use Major Events as part of the city's recovery over the next 12 to 18 months.

Marketing

Following the relaunch of the WellingtonNZ platform on 27/11/19, there was a predicted drop in traffic during

January as WellingtonNZ rebuilt its online ranking. March included the global response to COVID-19 which has dropped traffic for general information to even lower levels.

The Regional Trails website has had a major enhancement. FindYourWoldNZ Facebook and Instagram channels continue to achieve strong engagement and there is improved trail marketing at the Wellington i-SITE (which is currently closed for renovation).

Business Events

In the Venues portfolio of venues (The Opera House, Michael Fowler Centre, Renouf Foyer, TSB Arena and Shed six) there were 91 performance events (and 97 performances) to 69,739 guests delivered, plus 19 business events (including Visa Wellington on a Plate Marketplace, MYOB Conference, Samsung Product Launch, Arise Church services) with 28,807 attendees.

City Growth Fund

This quarter supported the Pride Parade, the waterfront Korean dance event Muljil, featuring four performers encased in glass tanks full of water and Swimmers the spectacular projection on the Carter Fountain. The City Mission also received funding to support their new building project.

Detailed quarter performance by exception

The following budget item(s) and performance measure(s) below are those with a result for the quarter that is greater than 10% of target or within 10% / \$500k of budget. Variances greater than 10% can indicate (for example) underutilised resources, insufficient capacity etc. Details on KPIs are in Appendix 1 with capital and operating (OPEX) expenditure details Appendix 2.

Financial performance by exception

| Operating expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|--------|----------|-----|-----------|--------|
| There are no operating expenditure exceptions to report. | | | | | | |
| Capital expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 3.1 City promotions and business support | 1,741 | 3,028 | 1,287 | 43% | 1,427 | 4,139 |
| Underspend: The forecast under spend relates to the St James theatre where earthquake strengthening will need to be completed before other renewal work can commence. This has also been impacted by Covid-19. | | | | | | |

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Performance measures (KPIs) by exception

| Performance measure | 2018/19 result | 2019/20 target | Actual | YTD Target | Variance | Variance explanation (where target is not met by >10%) |
|---|----------------|----------------|---------|------------|------------|---|
| 3.1 City promotions and business support | | | | | | |
| WellingtonNZ (WREDA) | | | | | | |
| Value of business events (\$m) - value of future events to take place in Wellington | \$19.3m | \$19m | \$15m | ~\$12.4m | Behind YTD | Although currently behind YTD WellingtonNZ expected KPI to be on track for year-end (prior to COVID-19 impacts) |
| Total number of events held in WellingtonNZ venues | 419 | 450 | 239 | ~400 | Behind YTD | No longer expected to achieve year-end target due to impacts of COVID-19. |
| Total event attendance (at major events) | 619,232 | 700,000 | 276,029 | NA | NA | Increase of 151,033 since Q2 However no longer expected to achieve year-end target due to impacts of COVID-19. |
| Total visitor spend (\$m) | 2.702 | 2.755 | 1.636 | NA | NA | This is YTD result as at January 2020. The March result is published in May 2020. |
| Number of actively supported businesses through regional business partner programme | 472 | 445 | 325 | NA | NA | Increase of 105 since Q2 |

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Oranga ahurea | Cultural wellbeing

Aim: Support arts activity that adds vibrancy to the city; promote inclusive, tolerant and strong communities.

Key groups of activities: Arts and cultural activities

There is a total of 16 non-financial performance measures in this activity area, 6 are only reported annually (of these 3 are mandatory measures required by statute).

Quarter 3 performance and budget overview

6 of the 7 performance measures with an available result were met or exceeded at the end of the quarter and the one measure with an unfavourable result related to visits to Nairn St Cottage for Wellington Museum Trust.

Overall operating budget was on track and capital expenditure over budget position is temporary.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | |
|---------------------------------------|---|---|--------|--------|-----------------|-------------|-----------|--|
| Target not met by >10% | 1 | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| | | Revenue | (642) | (773) | (131) | (638) | (1,030) | Under budget due to Grants income being lower than budget. |
| Target met - within +/- 10% of target | 5 | Expenditure | 20,019 | 19,502 | (517) | 22,406 | 22,595 | Within 3% of budget. Over budget YTD due to higher than planned grants costs however this will turn around with a forecast under spend in this area by year end. |
| Target exceeded by >10% target | 1 | Net operating expenditure | 19,377 | 18,730 | (648) -3% | 21,768 | 21,565 | Under budget YTD and forecast due to depreciation and grant expenses being lower YTD than planned. |
| Not applicable | 2 | Capital expenditure | 14,897 | 9,834 | (5,063) -51% | 19,625 | 17,178 | Over budget on the Convention Centre project however while forecast to be over budget this year the overall project is expected to be on budget. |

What we did

City Arts:

Toi Pōneke

Toi Pōneke presented three exhibitions and delivered six Artist Talk Public Programmes. The Toi Pōneke Dance Residency produced a triple bill dance show titled 'Situations in Play' at the NZ Fringe Festival, March 2020.

The Toi Pōneke Independent Practitioner Mentee Bump Programme supported Cole Sharland in the development of his theatre practice. March 2020

Toi Pōneke Te reo classes with Joan Costello from Reo Tuuhono, Jan – March 2020

The Toi Pōneke Sound Artist in resident Amy Jean Barnett presented new works of sound and an artist

talk. The Toi Pōneke Dance Residency was awarded to choreographers Bjorn Aslund, Alec Katsourakis, Alessia Augello and Producer Mattias Olofsson who will present a new show in the Wellington Fringe Festival 2020. Toi Pōneke hosted Wellingtons first 'Creative Colab Speed dating' event. Other public programmes included 'To Weave or not to Weave' that included two forums offering dialogue and differing responses to the Tuia 250 Encounters commemorative events and exhibitions.

Public Art

Courtenay Place Park Light boxes displayed Jasmine Togo-Brisby - What's yours is mine, curated by Ioana Gordon-Smith, 16 December 2019 – May 2020

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The Cobblestone Light Boxes are a partnership between WCC and Victoria University. Daniel K Brown and Mizuho Nishioka, *Two Worlds/Two Times* opened on 28 January and will run until August 2020.

Mason's Screen is a partnership between WCC and CIRCUIT Artist Film and Video Aotearoa. Four video works were presented on Mason's Screen from January – March 2020. These were:

- Arapeta Ashton and Wai Ching Chan, Pātai/Maan Taai 問題
- Emma Wallbanks, Mercurial
- Fleury and Jackson, One who goes quickly
- Rangituhia Hollis, Across the face of the moon

A commissioned essay by Thomasin Sleight about new works on Mason's Screen was published on Circuit Artist Film and Video website.

Public art funded projects

- The Performance Arcade ran from 26 February – 1 March 2020 featuring 20 artworks by over 30 artists.
- Wellington Sculpture Trust's seventh 4 Plinths commission Signal Forest by Yolunda Hickman was launched. The temporary public sculpture on the Te Papa Forecourt will be on display for two years.

Council projects

- Wellington Sculpture Trust - PARKing Day with support from Wellington City Council A one day event of artworks and installations in car parks along Cuba Street on 6 March 2020.
- Waitohi-Johnsonville Hub Project - The creation of Maureen Lander's interior artwork commission Pa Harakeke commenced through a weaving workshop with the artist and local weavers Te Roopu Raranga o Manaia (Manaia Weavers).
- Swan and Garrett Laneway Upgrade with Urban Design team - A contract was signed with local artist Andrew Beck to realise his site-specific integrated public artwork Shadows Windows as part of the upgrade.

Arts Programmes, including art on walls and international artist residencies

- Kilbirnie BID committee commissioned artist Miriama Grace Smith to paint a large-scale sea themed mural at Evans Bay Intermediate School, Tacy Street.

- We supported Artzilla, an exhibition of work by established and emerging skate artists to coincide with the Waitangi Park Bowlzilla event
- Distributed a call for proposals for the newly refurbished Karori Recreation Centre.
- Met with the Indigenous Arts Advisory Group to select an artist to participate in the Canberra Wellington Indigenous Artist Exchange programme. This year's residency is postponed as a result of the COVID-19 pandemic.

Arts Funding

- Pandemic response measures were introduced after the close of the Creative Communities Scheme funding round on February 28. As a result the applicants were invited to reconsider their applications and provide updates on alternate funding dates or cancellations. The funding panel meeting date was deferred until April 2020 in order to provide extra time for the applicants and organise an online panel meeting.
- 7 applications were withdrawn from the round leaving 37 applications to be considered.

City Arts Collection

- Framed 6x artworks (new acquisitions)
- Purchased 2x artworks to complete the set of Barry Lett Multiples from 1969

City Events

- City Events delivered five events in the third quarter of 2019/20- Gardens Magic, Kids Magic, Pasifika, Te Ra O Waitangi and Waitangi Whānau film.
- Gardens Magic was held at the Wellington Botanic Garden Sound shell between 7-26 January 2020. The event engaged 160 performers, 108 crew, suppliers and partners - and was attended by approx. 32,400 people.
- Kids Magic took place 25 January at the Dell, Botanic Gardens, and drew an audience of approximately 500 people, mainly families. Performers included Orchestra Wellington.
- Pasifika drew an audience of approximately 12,000 people, and was held at Odlins Plaza/Whairepo lagoon on 19 January.
- Te Ra O Waitangi took place on February 6 at Waitangi Park, and an estimated 15,000 people attended. Waitangi Whānau film night was held the evening before Waitangi Day was held for the first time.

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City Events Sponsorship supported community events during this period included: Kotahi 2020, the Chinese New Year Festival, the Island Bay Festival, Newtown Street Festival, the Wellington Dragon boat Festival, Bowlzilla and Out in the Park. Islamic awareness event was cancelled due to COVID-19.

All other events that fall under the Summer City Events umbrella had taken place prior to the Ministry of Health (government) guidelines issued on 16 March 2020 advising that gatherings of 500 people or more would be cancelled due to COVID-19.

Waterfront event activity

Activity across all types of events on the Waterfront for the January – March 2020 period was high – marking the busiest quarter seen in this space for some time:

- Over twenty events went ahead with some great weather, the only notable weather related cancellation being the outdoor screening of Bohemian Rhapsody in Odlins Plaza.
- NZ Festival contributed with four outdoor screens carrying the 'Into the Open' season of images plus the Laurie Anderson 'Concert for Dogs' in Odlins Plaza.
- All the regulars were there such as: Dragon Boat Festival (plus the Harbour Fun-day), Wellington Wine & Food Festival, Out in the Park, Bowlzilla, Performance Arcade and Round the Bays.
- Gindulgence returned for a second year as did the Performance Arcades' Pink Line' and associated activities.
- New to the Waterfront calendar was the 'Lantern Festival' with a greatly expanded offering following the move from their previous location of

Cuba/Dixon Street and the 'St Patricks Day Parade' of 14 March

At the end of the quarter the Homegrown festival and the associated projection work - 'He Moana Whairepo' were postponed as part of the pandemic response.

Convention & Exhibition Centre

There has been good progress on the Convention and Exhibition Centre construction with piling works almost complete at the time of site lock down on 28 March. Planning includes what's being done to keep local residents informed, and the process being run to name the facility and identify operators ahead of its expected opening in early 2023.

Experience Wellington, Museum Trust

- The Rainbow Pasefika 2020 event was hosted at Wellington Museum during Pride Month for the first time. The event provided a platform for Wellington's Pasefika Rainbow community to come together.
- Space Place's Valentine's Day programme called Aphrodite's Delight, raised over \$8,000 with 93 double tickets sold.
- Working with the support of Wellington Community Trust, an outreach programme for older visitors to the City Gallery was developed. The first monthly Seniors Tour was held in February and proved very popular, with the first few fully booked out in advance.
- The Capital E Public programmes team participated in a successful Waitangi Day event in Porirua in conjunction with Porirua City Council, delivering engaging, interactive activities for over 1,700 visitors.

Detailed quarter performance by exception

The following budget item(s) and performance measure(s) below are those with a result for the quarter that is greater than 10% of target or within 10% / \$500k of budget. Variances greater than 10% can indicate (for example) underutilised resources, insufficient capacity etc. Details on KPIs are in Appendix 1 with capital and operating expenditure details Appendix 2.

Financial performance by exception

| Operating expenditure by exception (>10% & \$500k of budget) \$000s |
|---|
| There are no operating expenditure exceptions to report. |

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| Capital expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|--------|----------|------|-----------|--------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 4.1 Arts and cultural activities | 14,897 | 9,834 | (5,063) | -51% | 19,625 | 17,178 |
| Overspend: Over budget on the Convention Centre project however while forecast to be over budget this year the multi-year project is expected to be on budget. | | | | | | |

Performance measures (KPIs) by exception

| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|---|----------------|----------------|--------|--------|----------|--|
| 4.1 Arts and cultural activities | | | | | | |
| Wellington Museums Trust (Experience Wellington) - utilisation | | | | | | |
| Wellington Museum Trust visitors | | | | | | |
| • Nairn St Cottage | 2,104 | 2,000 | 706 | 1,600 | -56% | Marketing material and imagery is being refreshed to attract new audiences. |
| • Capital E visitors | 137,015 | 70,500 | 84,719 | 52,771 | +61% | Well ahead of target due mainly to the strong support for the Maker Faire programme. |

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Kaupapa pāpori me ngā mahi a rēhia | Social and recreation

Aim: Provide a wide range of services throughout the city to encourage quality of life and healthy lifestyles.

Key groups of activities: Public Recreation promotion and support; Community support health and safety.

There is a total of 75 non-financial performance measures in this activity area, 35 are only reported annually (of these 3 are mandatory measures required by statute) and four measures are reported seasonally.

Quarter 3 performance and budget overview

19 out of 37 performance measures with an available result exceeded or met target at the end of the quarter. The unfavourable performance measure variances related to a range of services, refer below for details.

The overall operating budget was on track and the capital budget was underspent by 12%.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | |
|---------------------------------------|----|---|----------|----------|--------------|-------------|-----------|---|
| | | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| Target not met by >10% | 18 | Revenue | (32,306) | (30,395) | 1,911 | (38,797) | (40,714) | The approximate \$4m movement from the \$2m YTD favourable variance to \$2m unfavourable variance - mainly due to pandemic impacts on swimming pools.. |
| Target met - within +/- 10% of target | 12 | Expenditure | 94,469 | 96,463 | 1,994 | 127,064 | 127,337 | Within 2% of budget. YTD actuals favourable predominately due to depreciation costs - partially due to the timing of the opening of the Libraries Services Network locations. |
| Target exceeded by >10% target | 7 | Net operating expenditure | 62,163 | 66,069 | 3,906 6% | 88,269 | 86,624 | Favourable YTD due to Te Mara rent being ahead of budget and lower than budgeted depreciation costs (partially due to the timing of the opening of the Central Libraries Services Network locations). The Full Year forecast is for an over budget result reflecting the impact of the pandemic on swimming pools revenue |
| Not applicable | 5 | Capital expenditure | 26,087 | 29,574 | 3,487 12% | 32,281 | 39,723 | Under budget primarily due to the re-phasing of the Libraries, Social Housing and Community Halls programmes of works, partially offset by increased costs relating the Basin Reserve Museum Stand. |

What we did

Planning

Work on review the Cemeteries Management Plan was underway including working with regional partners on the priority and timing for the development of a Sportsfield Strategy.

Swimming Pools and ClubActive Fitness Centres

We began engagement with Karori Normal School and Ryman Healthcare regarding the extension of the car parking at Karori Pool. Engagement with Donald Street residents will begin after the

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pandemic lockdown. We have completed the application for the resource consent for the work and which will be lodged after lockdown, application for the building consent has been lodged. We are continuing to work with the Parking Team regarding implementing a digital voucher system for member parking at Freyberg Pool & Fitness Centre and will be extending the parking to 4 hours.

ClubActive continued to have record membership numbers, across both fitness centres at Freyberg Pool and the Wellington Regional Aquatic Centre (WRAC). The WRAC fitness centre rolled out the online booking system for gym classes, which Freyberg customers have been successfully using for quite a while.

Sportfields and artificial surfaces

The summer sports season finished early due to the lockdown for Covid19. We completed the renewal of the National Hockey Stadium number one artificial turf and continue work on new lights and irrigation at the stadium. We began work to renew the Te Whaea artificial turf; this will be completed in Q4.

The contractor has been appointed for the development of the new Alex Moore Park sporting hub and started preliminary works on site.

Campaigns

The WellyWalks Summer 19/20 campaign was successfully completed with a reach of 180,000+ on Facebook, 39,000 Instagram Posts and 53,000 Instagram Stories. The focus was on profiling popular trails throughout the region, using giveaways of products from local businesses.

Grants Funding

Discussions with Newtown School on the redevelopment of their school pool continued during the quarter. The school has previously been granted \$499,509 funding towards upgrading the pool through the "School Pool Partnership Fund. The school is now proposing a 3 stage process to the redevelopment. Officers are awaiting final details for the proposal.

We also continued to work with Tennis Central on the Renouf Tennis Centre renewals projects which council has co-funded through the Sports Partnership Fund.

ASB Sports Centre

- The Centre successfully hosted the Ra Haka regional kapa haka event. Hurricanes Rugby held their 'Hurricanes Kids Day' and 'Hurricanes Coaching Clinic.
- Capital Football hosted the very popular "Girls Futsal Festival" which attracted school age futsal players from around the region and NZ Football hosted the "Women's National Futsal Super League" for provincial teams from around the country.

LeisureCard

Rollout of the LeisureCard continued. We also continued to work on:

- a new LeisureCard brochure with clear offers of our services and prices for LeisureCard members
- developing a training module about LeisureCard use to be incorporated into staff induction training. We expect to launch the training in quarter four. .

Libraries and community spaces

In January we:

- continued our participation in Gardens Magic programme
- In collaboration with WellingtonNZ to arranged an Outdoor Reading Room in Te Ngākau in February/March – which was popular with both local and international visitors..
- In mid-March the children's team began offering daily virtual story-times thanks to permissions granted by the Coalition for Books. The story-time for 27 March has been viewed over 25k times. In the last week of the quarter, new online registrations increased to over 400, with a further 377 customers updating their memberships to use our eLibrary. The number of customer visits to our online film streaming service Kanopy doubled (to 10,681 visits for the week) while usage of Lynda.com, our online tutorial database, increased nearly four-fold.

Central city library network

Construction continued on the new Collection and Distribution Centre which included installation of shelving moving the fiction collection.

City Housing – Noho whare noho, noho whānau

City Housing occupancy remains high (99%) with available vacant houses either under offer, rented,

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ready to be occupied by new tenants or being prepared to rent.

We continued to invest in the welfare of our tenants by providing wrap around services to enhance their wellbeing. Partnerships with agencies such as Digital Inclusion Aotearoa (who increase digital access, skills and computer literacy) continue to deliver excellent initiatives that benefit our tenants. We also worked closely with our tenants, volunteer and site kaitiaki to enhance tenants' physical and social environments.

Work to hand over Arlington Site 1 to Kāinga Ora as a part of the redevelopment programme was also on track but was disrupted by the evolving COVID situation. City Housing is also playing a key part in the Facilities Maintenance contract renewal process.

In March we received approval from Council to publicly consult on new Social Housing framework and policy settings that, if approved, would benefit our low income tenants, improve equity and contribute towards the financial sustainability of the Unit.

Day to day tenancy administration continued, with a focus on the customer experience, as well as financial management and debt reduction.

Public Health team

In an emergency (earthquake, flood etc.) it is common for owners to be reluctant to leave their homes without their pets. Our Animal Liaison Officer has secured the use of the Johnsonville Rugby Club building as a place for people in the Northern Suburbs to evacuate to. The building has room for people upstairs while their pets can be safely held

the downstairs, alleviating the stress on both owners and their pets. A practice run was held during this quarter and it worked very well. Work is underway to find suitable buildings in other areas.

Te Mahana - Homelessness Reporting

During the quarter we began seeking new data sets to assess the progress of the housing services in Wellington. One of our key partners reported that 104 people were homeless in the quarter and 18 were successfully housed in a permanent home. Given the housing shortage and the limited access to social housing this rate of 17.3% housed is promising. As the pandemic response commenced in the latter half of the quarter the focus was on preparing our approach to support our rough sleeping community through the crisis. This meant that when the decision to move to level 4 lockdown, was made we were ready to work collectively with housing, health and social services to ensure a joint up approach across Wellington.

Basin Reserve Trust

Cricket - The Black Caps hosted India in New Zealand's 100th cricket Test at the Basin Reserve in February. Prior to the match, the Museum Stand (now referred to as the Old Pavilion) was reopened by the Mayor. (This stand was closed to the public in 2012 on the basis of seismic risk) The reopening of the stand signalled the return of the grandstand to public use.

Wellington hosted both the men's and women's Twenty20 Super Smash cricket finals at the Basin Reserve (a double header). Both teams won their respective finals in front of rapturous 5,000 fans.

Detailed quarter performance by exception

The following budget item(s) and performance measure(s) below are those with a result for the quarter that is greater than 10% of target or within 10% / \$500k of budget. Variances greater than 10% can indicate (for example) underutilised resources, insufficient capacity etc. Details on KPIs are in Appendix 1 with capital and operating (OPEX) expenditure details Appendix 2.

Financial performance by exception

| Operating expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|----------|----------|-----|-----------|----------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 5.2 Revenue | (20,634) | (17,854) | 2,780 | 16% | (25,810) | (23,814) |
| 5.2 Gross expenditure | 49,186 | 50,618 | 1,432 | 3% | 66,710 | 66,494 |

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|--|--------|--------|-------|-----|--------|--------|
| 5.2 Community Support | 28,553 | 32,765 | 4,214 | 13% | 40,900 | 42,679 |
| <i>Underspend:</i> favourable due to Te Mara rent being ahead of budget and lower than budgeted depreciation costs (partially due to the timing of the opening of the Central Libraries Services Network locations). | | | | | | |

| Capital expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|--------|----------|------|-----------|--------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 5.1 Recreation Promotion & Support | 13,478 | 10,737 | (2,740) | -26% | 15,048 | 14,138 |
| <i>Overspend:</i> Over budget YTD predominately due to increased costs relating the Basin Reserve Museum Stand. | | | | | | |
| 5.2 Community Support | 10,907 | 16,454 | 5,547 | 34% | 15,048 | 22,050 |
| <i>Underspend:</i> Under budget primarily due to the re-phasing of the Libraries, Social Housing and Community Halls programmes of works. | | | | | | |
| 5.3 Public Health and Safety | 1,702 | 2,383 | 680 | 29% | 2,775 | 3,535 |
| <i>Underspend:</i> Under budget predominately due to delays in work in regards to Public Conveniences & Pavilions | | | | | | |

Performance measures (KPIs) by exception

| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|---|----------------|----------------|---------|---------|----------|--|
| 5.1 Recreation Promotion & Support | | | | | | |
| Utilisation | | | | | | |
| Sportsfields | | | | | | |
| Artificial sports-field (%) utilisation - off-peak winter | 18% | 25% | 14% | 25% | -44% | The dry winter meant that our grass fields were used a lot more and the use of the artificial grounds during peak times has increased. Both of these have impacted on the use of fields during off-peak times. |
| Swimming pool visits | | | | | | |
| Wellington Regional Aquatic Centre (WRAC) | 584,000 | 576,082 | 386,514 | 434,886 | -11% | We are still reviewing how attendance counting is being undertaken with the new booking system (installed October) to see what impact this is having on our numbers. |
| Tawa | 86,600 | 70,806 | 59,373 | 66,556 | -11% | |
| Keith Spry | 189,500 | 175,122 | 94,471 | 140,250 | -33% | |
| Karori | 183,074 | 164,487 | 86,196 | 143,263 | -40% | |
| Thorndon | 42,074 | 39,237 | 29,481 | 41,207 | -28% | |
| Khandallah | 15,500 | 14,145 | 9,404 | 15,500 | -39% | |
| Recreation centre utilisation | | | | | | |
| Karori Recreation Centre | 100,414 | 105,000 | 56,029 | 76,900 | -27% | The centre was closed all of December for refurbishment so lower Q2 numbers than normal, impacting YTD. |
| Kilbirnie Recreation Centre | 84,776 | 80,000 | 48,142 | 57,300 | -16% | We are still reviewing how attendance counting is being undertaken with the new booking system (installed October) to see what impact this is having on our numbers. |
| Nairnville Recreation Centre | 158,949 | 140,000 | 111,256 | 90,900 | 22% | |
| Tawa Recreation Centre | 26,888 | 25,000 | 27,075 | 19,000 | 43% | |
| Number of uses of Leisure Card | 156,195 | 148,000 | 85,734 | 111,000 | -23% | As above |

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| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|--|----------------|----------------|-----------|-----------|----------|---|
| Basin Reserve Trust | | | | | | |
| Basin Reserve - Total event days (excluding practice days) | 97 | 121 | 134 | 102 | 31% | Ahead YTD however Cricket season and other sports events prematurely cancelled due to COVID-19. |
| Practice facility usage days | 122 | 100 | 73 | 100 | -27% | Effected by COVID-19 and early cancellations of all cricket. |
| Number of function days | 53 | 25 | 67 | 19 | 252% | Significant increase in functions due to growing reputation of the Basin function centre. |
| 5.2 Community Support | | | | | | |
| Libraries utilisation | | | | | | |
| Library physical visits | 2,021,003 | 2,400,000 | 1,075,685 | 1,825,000 | -41% | Target not achieved. Before the pandemic closures, performance was not on track due to closure of Central library in 2019. This will also impact on Q4. |
| Library items issued (physical) | 2,244,761 | Increase | 1,418,601 | Increase | Not met | Target not achieved. Before Covid closures, earlier months not on track due to closure of Central library in 2019. This will also impact on Q4. |
| Estimates of attendees of library programmes | 71,717 | 75,000 | 45,310 | 56,250 | -19% | Data incomplete due to library closure (will update when able), plus programmes cancelled due to Covid requirements; very low numbers before closing. Programmes are unlikely to restart before July. Daily FB storytimes continuing. |
| Library items issued (e-library) | 475,745 | 340,000 | 456,885 | 255,000 | 79% | Increasing emphasis on online resources, both generally, and as substitutes for physical visiting during national emergency. This will also impact on Q4. |
| Library website visits | 4,840,980 | 3,300,000 | 2,741,332 | 2,400,000 | 14% | Increasing emphasis on online resources, both generally, and as substitutes for physical visiting during national emergency. This will also impact on Q4. |
| Libraries affordability | | | | | | |
| Cost to the ratepayer per library transaction | \$2.39 | Improve | \$3.45 | <\$2.39 | Not met | Costs for the setup of the new CBD replacement library branch Te Awe were coming on stream but without the subsequent customer transactions. Opening is likely to be delayed until the new financial year. |
| Community centres utilisation | | | | | | |
| Occupancy (%) of Council community | 42% | 45% | 39% | 45% | -13% | Wadestown still at low occupancy due to Kindy |

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| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|--|----------------|----------------|--------|--------|----------|---|
| centres and halls | | | | | | vacancy, all sites showed decreasing bookings from Feb due to the pandemic. The presence of an Advocate at Linden has provided refreshed community focus. She has supported Kai bosh and Kai kitchen and has started a new mothers group and has plans for other sessions to grow the sense of Community in Linden particularly for vulnerable locals. Both Tawa and Linden are without a student army so during closure the Advocates are keeping the food parcels going, including doing shopping for the elderly and delivering items. Linden Advocate is delivering PPE to Linden and Tawa volunteers. Their presence is providing vital support to those disadvantaged in their community. |
| 5.3 Public health and safety | | | | | | |
| Timeliness | | | | | | |
| Graffiti removal – response time frames (%) met | 91% | 80% | 89% | 80% | +11% | The same result as the second quarter. This shows that the contractor was able to maintain a high standard of responsiveness before we entered lockdown. I expect a significant drop in this rate for the 4th quarter because graffiti removal was deemed to be a non-essential service so SB Maintenance was instructed to stand down during Alert Level 4. |
| Dog control - urgent requests (%) responded to within 1 hour | 95% | 100% | 89% | 100% | -11% | A number of dog attack complaints were historical i.e. lodged sometime after the event and by email which causes delays in passing the complaints to officers to investigate. |

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Tāone tupu ora | Urban development

Aim: Embrace Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate

Key groups of activities: Urban planning, heritage and public spaces development; Building and development control

There is a total of 17 non-financial performance measures in this activity area, 10 are only reported annually (of these 3 are mandatory measures required by statute).

Quarter 3 performance and budget overview

At the end of the quarter, 5 of the 7 performance measures with an available result met target. The unfavourable performance measure variances related to timeliness of building consents and LIMs.

The overall operating budget was on track and the capital budget was underspent 39%.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | |
|---------------------------------------|---|---|---------|----------|---------------|-------------|-----------|--|
| | | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| Target not met by >10% | 2 | Revenue | (9,715) | (10,355) | (640) | (10,903) | (14,207) | Under budget in both Building and Resource consent areas. With the impact of Covid-19 this is expected to have considerable impact by year end. |
| Target met - within +/- 10% of target | 5 | Expenditure | 25,514 | 25,371 | (143) | 35,593 | 34,069 | Within 1% of budget however this result is net of activity area 6.1 being 17% under budget YTD due to timing around Heritage grants. Activity area 6.2 9% over budget due to higher than planned personnel (and resultant organisational overheads) costs due to the remuneration adjustment and professional costs (much of which can be recovered from customers).- see details. |
| Target exceeded by >10% target | 0 | Net operating expenditure | 15,799 | 15,016 | (783) -5% | 24,690 | 19,862 | Over budget due to higher than planned personnel (which drives a greater allocation of organisational overheads) and professional costs. Revenue is also unfavourable with a worsened outlook forecast due to the Covid-19 situation. |
| Not applicable | 0 | Capital expenditure | 19,173 | 31,704 | 12,530 39% | 25,837 | 48,480 | Underspending due to the earthquake strengthening programmes for the St James theatre and the Town Hall being behind. Covid-19 lockdown has pushed back the programme YE forecast underspend by \$6.2m and \$7.6m respectively. Under budget due to delays on Frank Kitts Park playground and North Lambton Quay project where this will be aligned with the LGWM Golden |

| | | | | | | | | | |
|---------------------------|--|---|--|--|----------------------------------|--|--|------------|--|
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| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | | |
| | | | | | | | | | Mile workstream. Forecast underspends are due to delays in the programme e.g. Swann/Garret will be delivered next year, Stout Street is dependent upon LGWM decisions and Frank Kitts Park playground delayed by having to address the FKP Parking area earthquake strengthening issues first. |

What we did

Public space development

The Grey Street public space upgrade project was completed in Q1 of 2020. Prior to Covid-19 lockdown, this newly invigorated space was widely used and enjoyed by locals and visitors alike.

Concept design of the Wall Park upgrade project - a joint initiative between WCC, the Tawa Technology Education Trust and students of Tawa Intermediate and Linden Schools is complete, and delivery of this project is being led by the Parks, Sport & Recreation team.

The Karori Town Centre upgrade project, to create a more inviting, accessible and green public space, progressed to Detailed Design, which is on track to be finalised July 2020, with procurement anticipated to follow.

The Swan and Garrett laneway upgrade project is underway, aiming to create a more accessible and engaging public space that enhances and extends the existing character of Cuba Street precinct. Developed design has commenced, with on-going design development anticipated through Q4. Construction will commence in 2021.

Design Review

Review of Wellington's Design Guides is underway as part of the larger District Plan review and Planning for Growth work. Initial feedback has been sought from key stakeholders via questionnaires and workshops, and further stocktake research is underway. Updated Design Guides will be proposed as part of the draft District Plan.

The Design Review team continues to manage a high number of Resource Consents, Monitoring/Compliance and Road Stopping

applications, as well as pre-application meeting requests. Resource Consent applications requiring urban design assessment continue to increase in numbers (up approximately 150% from 2016) and complexity (this year saw significantly more notified applications, as well as large development applications in contentious areas of the city).

Building Resilience Funds

The inaugural round of applications to the Building Resilience Fund were presented to the Grants Subcommittee for decision on the 18th March. The Subcommittee approved funding to eight applications totalling \$132,558 leaving \$367,442 of the fund unallocated. Funds were directed to buildings where successful seismic strengthening outcomes would be unlikely without assistance. The fund acknowledges the difficulties for owners faced with reduced time frames in achieving compliance, the challenges faced by owners in engaging engineers and contributes towards the safety and well-being of the public.

A second round of applications was made available to allow for the use of funds that remained unallocated /unrequested which are required to be allocated within the financial year. Applications for the second round were to close on the 15th April, however this date was extended to the 22nd April in consideration of the issues faced by applicants in completing applications in the face of COVID-19. Building owners who had expressed an interest in applying for the fund were contacted by the Building Resilience Team to gain an understanding of what assistance they required to complete an application.

To assist building owners with the completion of applications, the Building Resilience team engaged with Engineering New Zealand to compile a list of

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engineers who had capacity to work within the limitations of COVID-19 lockdown and provide fee estimates to building owners as part of their application. This list was made available to potential applicants through Council's website and by email. Many of these engineers contacted their client base to inform them of the availability of the Building Resilience Fund. Council's Archives team provided assistance to building owners and engineers in retrieving the required information by treating requests as part of a funding application as a priority.

At the time of reporting, 16 applications had been received for the second round of the Building Resilience Fund. Applications are currently being assessed by Council officers and the Grants Sub-Committee decision will be made on the 20th May.

Built Heritage Incentive Fund

In March the Council Grants Sub-committee approved 11 grants for owners of heritage buildings, with two further grants (each above \$100k) being approved by Council in April. All grants were directed towards projects where successful heritage and resilience outcomes would be unlikely without Council assistance, in line with the updated purpose of the BHIF. 85% of funding (totalling \$416,500) was allocated to projects which strengthen earthquake prone heritage buildings. Five heritage buildings received grants for the detailed seismic assessment or detailed design phase to allow the owners to take the first step towards strengthening their buildings. The remaining three seismic grants were allocated to projects undertaking strengthening works, representing the final and most costly phase of seismic projects. Two of these grants, for the Wesley Methodist Church (Taranaki Street) and the joint strengthening of five heritage buildings on Courtenay Place (45-55 Courtenay Place), each received over \$100k. The remaining 15% of funding (totalling \$73,500) was allocated across five heritage conservation projects, ranging from completing a conservation plan (Shamrock Hotel, Tinakori Road) to conserving historic roller doors (Shed 21, Waterfront).

Resource Consents

Projects worked on include ongoing iterations of the Willis Bond redevelopment of Farmers/Victoria Street, continuing changes to the redevelopment of

Stewart Dawson's corner, notification of the Notice of Requirement application for Wellington International Airport on the former Miramar South School for ancillary purposes.

An appeal against the redevelopment of 347 The Parade (a new mixed use (mainly residential) building) is nearing a successful and positive mediation agreement, consents were granted for the zipline near the Southern Landfill, a new rock revetment wall to support the Cobham Drive cycleway, and the redevelopment of 117 -121 Riddiford Street is now approved.

The team continue to achieve well in terms of customer satisfaction, with 90% of customers who are satisfied with the service they had received (from survey responses received).

Heritage

The heritage team has seen an increase in the volume and complexity of resource consents, and have recorded a 200% increase in the time spent providing heritage advice for resource consent applications, pre-application meetings and compliance monitoring since 2017. This is similar to the increase in workload previously reported by the CDPP Design Review team. Heritage advisors provided input into approximately 40 service requests in Q3. Key projects include the resource consent for changes of conditions to Stewart Dawson's corner at the intersection of Lambton Quay and Willis Street, the Soka Gakkai Cultural Centre at 285-287 Cuba Street (including a WCC heritage encumbrance), and input into compliance monitoring for the redevelopment of Erskine College in Island Bay.

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Detailed quarter performance by exception

The following budget item(s) and performance measure(s) below are those with a result for the quarter that is greater than 10% of target or within 10% / \$500k of budget. Variances greater than 10% can indicate (for example) underutilised resources, insufficient capacity etc. Details on KPIs are in Appendix 1 with capital and operating (OPEX) expenditure details Appendix 2.

Financial performance by exception

| Operating expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|--|--------------|----------|----------|------|-----------|----------|
| Activity / budget result | Year to date | | | | Full year | |
| | Actual | Budget | Variance | | Forecast | Budget |
| 6.1 Revenue | (73) | (16) | 58 | 356% | (22) | (22) |
| 6.1 Gross expenditure | 6,854 | 8,233 | 1,379 | 17% | 11,820 | 11,093 |
| 6.1 Urban planning, heritage and public spaces development | 6,780 | 8,217 | 1,437 | 17% | 11,799 | 11,072 |
| Underspend: Under budget YTD due to timing around Heritage grants, which will also be underspent at year-end. Forecast over spend is due costs associated with the District Plan being higher than plan. | | | | | | |
| 6.2 Revenue | (9,642) | (10,340) | (698) | -7% | (10,881) | (14,186) |
| 6.2 Gross expenditure | 18,660 | 17,138 | (1,522) | -9% | 23,773 | 22,976 |
| 6.2 Building & Development Control | 9,018 | 6,799 | (2,220) | -33% | 12,892 | 8,790 |
| Overspend: Over budget due to higher than planned personnel (which drive a greater allocation of organisational overheads) and professional costs. Revenue is also unfavourable with a worsened outlook forecast due to the Covid-19 situation. | | | | | | |

| Capital expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|--|--------------|--------|----------|-----|-----------|--------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 6.1 Urban Planning and Policy Urban planning, heritage and public spaces development | 2,948 | 8,179 | 5,231 | 64% | 6,085 | 13,339 |
| Underspend: Under budget due to delays on Frank Kitts Park playground and North Lambton Quay project where this will be aligned with the LGWM Golden Mile work stream. Forecast under spends are due to delays in the programme e.g. Swann/Garret will be delivered next year, Stout Street is dependent upon LGWM decisions and Frank Kitts Park playground delayed by having to address the FKP Parking area earthquake strengthening issues first. | | | | | | |
| 6.2 Building & Development Control | 16,385 | 23,524 | 7,139 | 30% | 19,752 | 35,141 |
| Underspend: Under spending due to the earthquake strengthening programmes for the St James theatre and the Town Hall being behind. The Covid-19 lockdown has pushed back the programme so that they are forecast to be under spent at year end by \$6.2m and \$7.6m respectively. | | | | | | |

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Performance measures (KPIs) by exception

| Performance measure | 2018/19 FY result | 2019/20 FY target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|---|-------------------|-------------------|--------|--------|----------|---|
| 6.2 Building and development | | | | | | |
| Timeliness | | | | | | |
| Building consents (%) issued within 20 workings days | 89% | 100% | 80% | 100% | -20% | A number of issues compounded to negatively impact timeliness of service delivery this quarter (72% for Q3 and 80% YTD), previous staff turnover, recruitment and the time for on-boarding of new staff. The lack of technical competency for complex commercial projects and structural firms withdrawal of the level of service provided to BCC have had a big impact on timeliness. Although officers continue to work additional hours to assist, the resourcing pressures are expected to continue, for a number of years. |
| Land Information Memorandums (LIMs) (%) issued within 10 working days | 58% | 100% | 82% | 100% | -18% | During COVID-19 Alert Level 4 the production of LIMs was not possible resulting 5 LIMs exceeding 10 working days. |

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Waka | Transport

Aim: *Manage the transport network so it's sustainable, safe and efficient*

Key groups of activities: *Transport, Parking*

There is a total of 17 non-financial performance measures in this activity area, 10 are only reported annually (of these 3 are mandatory measures required by statute).

There is a total of 33 non-financial performance measures in this activity area, 25 are only reported annually (of these 3 are mandatory measures required by statute).

Quarter 3 performance and budget overview

6 of the 8 performance measures with an available result met target at the end of the quarter. The overall operating expenditure was 21% underspent and capital budgets were 15% underspent.

| Non-financial performance | | Financial - Performance against budget \$000s | | | | | | |
|---------------------------------------|---|---|----------|----------|--------------|-------------|-----------|--|
| | | | Actual | Budget | Variance | YE Forecast | YE Budget | Comment |
| Target not met by >10% | 2 | Revenue | (30,824) | (30,010) | 815 | (35,869) | (40,634) | FY forecast is under budget due lower than expected Parking revenue, mainly due to the impact of the pandemic |
| Target met - within +/- 10% of target | 6 | Expenditure | 58,654 | 65,319 | 6,664 | 81,684 | 87,128 | 10% under budget in depreciation, delays on contract costs tied with LGWM and a delay in expensing costs for the Ngauranga to Petone cycleway. The latter (full year \$2.4m) is currently forecast to be a permanent saving as the ownership model of that asset is being worked through. Covid-19 resulted in the cessation of all but safety related work which along with depreciation is driving the forecast under spend. |
| Target exceeded by >10% target | 0 | Net operating expenditure | 27,830 | 35,309 | 7,479 21% | 45,815 | 46,493 | Under budget in roading costs due to delays on contract costs tied with LGWM and a delay in expensing costs for the Ngauranga to Petone cycleway (full year \$2.4m is currently forecast to be a permanent saving for the year). COVID-19 resulted in the cessation of all but safety related work which along with depreciation is driving the forecast under spend. This is partially offset budget due lower than expected Parking revenue, as a result of the pandemic at the end of the quarter |
| Not applicable | 1 | Capital expenditure | 37,770 | 44,227 | 6,457 15% | 44,153 | 58,401 | Under budget due to delays on road surface renewal work and timing on other large projects e.g. Bus Priority Planning (linked to LGWM), Ngaio Gorge and |

| | | | |
|---------------------|---|----------------------------------|------------|
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| Non-financial performance | Financial - Performance against budget \$000s | | | | | | |
|---------------------------|---|--|--|--|--|--|--|
| | | | | | | | Wadestown route resilience. The cessation of work through the Covid-19 lockdown have caused the year end forecast under spend to increase significantly. |

What we did

Let's Get Wellington Moving

Refer project update page 12.

Procurement Strategy

We have updated our Transport Procurement Strategy which has been endorsed by NZTA. This will mean that we are in a good space to make full use of our maintenance and capital works contracts over the next three years to support efficient delivery.

Cable Car

In the third quarter the Cable Car carried 322,523 passengers bring its YTD total passenger trips to 822,710. Patronage continues to fall below last year's very strong levels. This is largely because the buses that bring cruise ship passengers into the city stopped discharging passengers outside the Wellington Cable Car. The Cable Car closed on Tuesday 24 March 2020 as part of the pandemic response.

Resilience and structures

Seatoun Tunnel Earthquake Strengthening: Construction in progress, with 85 percent of the planned works completed. Completion was planned for mid-2020 though the actual construction progress was ahead of time prior to Covid-19 lockdown. The projected new completion date is end of May 2020. The Seatoun Tunnel is the last of the Council's four road tunnels to be earthquake strengthened.

Wadestown Route Resilience - Retaining Walls Strengthening: Construction started at the end of January 2020 and is 15% complete. It was due for completion by the end of 2020 but is now expected to continue into 2021.

Pedestrian Bridge Strengthening (Ruahine St, Hataitai): Design is complete; however construction is on hold because of technical difficulties in executing the work within the limited timeframe allocated during the Mt. Victoria tunnel closures.

Currently liaising with NZTA to overcome these difficulties, expected to start construction by end of May 2020.

Ngaio Gorge Slopes Stabilisation: We continued with the slope stability monitoring survey work for the two slip sites. Construction has been tendered and contract award is imminent. Construction will start in mid-October 2020 - the delay is due to the need to protect the lizard population prior to starting work. Construction is expected to take 24 months

Northland tunnel waterproofing: Contract awarded, construction is planned to start under Covid-19 alert level 3.

Happy Valley Bridge Deck & Walkway Replacement: Construction completed early February 2020.

Lyal Parade Seawall Strengthening (construction is planned to start under Covid-19 alert level 3

Traffic Engineering Enquiries

We received 574 new traffic engineering enquiries and processed a total of 617 enquiries including much of the backlog – this is a strong customer service improvement on previous quarters from improved processes and more resource. See the following table for more Q3 information:

| Works Actioned through: | Number completed |
|-----------------------------|------------------|
| Traffic Resolutions | 28 |
| Delegated Authority works | 59 |
| Broken Yellow Line requests | 73 |
| L-Bar requests | 24 |

Traffic Signals

- We provided ongoing technical advice and applied traffic signal early improvements at selected sites along the Golden Mile, as part of the LGWM programme.

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- More than 600 pedestrian call boxes were inspected at 103 intersections to make sure the tones were working
- Recabling of Riddiford St/ Hall St / Mein St intersection is 90% completed
- Rugby St/ Adelaide Rd controller and cabinet replacement
- Installed pedestrian countdown lanterns at Jervois Quay / Grey St, Queens wharf

Network Maintenance/Renewal

We implemented improved processes to better co-ordinate and communicate maintenance roadworks. As a result residents have received more notices of high impact works which has been positively received. We are also seeking feedback from residents associations and community groups on a regular basis.

LED Street Lighting

The majority of the Council's street lights along arterial and urban streets within the city have now been renewed with LEDs. We identified and installed an additional 27 lights in Miramar and Tawa in response to requests from the community, Progress has continued on the Seatoun tunnel lighting installation along with the tunnel strengthening which will be commissioned in Q4.

NZTA has approved a business case for additional funding to allow for in fill lighting to ensure better coverage across the city. This work attracts an enhanced subsidy of 85%.

Network Improvements

- Work on various pedestrian and traffic safety improvements included:
- Rangiora Avenue footpath extension work started and this should be completed later this year
- Sar Street Wadestown -footpath extension concept design completed and consultation planned in early Q4
- Hataitai / Waitoa / Moxham intersection Hataitai - roundabout option engagement with Ward councillors.
- Karori speed limit review
- Victoria Street/Harris Street – new footpath in design phase and expected to start construction in Q4

Public Transport

We continue to work closely with GWRC on a joint programme of improvements to the bus network to provide better and safer access to bus stops to assist both operators and passengers. This includes changes to the bus network as a result of the bus review following changes to bus services introduced in July 2018.

Road Maintenance Contract

We have received and evaluated the tenders for the road maintenance and renewal (RMR) contract. We are on target to have the new contracts signed off for the North, South and CBD and to begin delivering services based on these from 1 July 2020.

Kiwi Point Quarry

The process of land purchase from NZTA started in the last quarter is still underway reflecting changes in personnel at NZTA. However, the land has been valued and the lawyers are viewing the sale documents. A land surveyor is being engaged to survey the land and prepare a plan to deposit with LINZ for legally transfer the land to WCC.

Given the significant amount of overburden that needs to be removed to access quality rock from the rezoned land (southern face), there has been extensive modelling work done to ascertain the most efficient way to extract material. The overburden removal could cost as much as \$12m so Holcim, the quarry operator is currently modelling how they can keep the quarry profitable as they access the southern resource.

A workshop was held with all the tenants of Kiwi Point to examine the prospects of signalling entry and exit of the premises. Two concepts were examined and detail work has to be carried out on the preferred option.

Cycleways

Work continued on the construction of the Evans Bay and Cobham Drive cycleways. NZTA approved funding for planning and design of Evans Bay Parade between Greta Point and Cobham Drive. Planning recommenced on the Newtown Connections package ahead of proposed community engagement later in 2020.

Detours around the construction zones will be in place at Pt Jerningham and Little Karaka Bay for people riding and running.

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Transport Behaviour Change

Sustainability: The website is currently under review investigating how we can reach a wider audience, Bike Space continued to operate with an early closure due to Covid-19. February has a big push on both back-to-school messaging as well as supporting the local roll-out of the national Aotearoa Bike Challenge. Movin' March (promoting active travel to and from school) saw an increase in the number of schools participating in Wellington this year.

Safety had two key foci during this quarter – continuing the Drive Safe Drive Sober (impaired

driving) campaign that had launched in early December – this was a combined effort with Police and local hospitality venues. February and March had a focus on motorcycle safety with the return of our #cityrider moped safety campaign as well as participation in the following motorcycle safety events: Burt Munro Ferry stops in February, Shiny Side up with NZTA and ACC in March and motorcycle checkpoints in March with Police and ACC. We also had a soft launch of our Shared pathways campaign (phase one and two – phase three has been delayed due to Covi-19).

Detailed quarter performance by exception

The following budget item(s) and performance measure(s) below are those with a result for the quarter that is greater than 10% of target or within 10% of budget. Variances greater than 10% can indicate (for example) underutilised resources, insufficient capacity etc. Details on KPIs are in Appendix 1 with capital and operating (OPEX) expenditure details Appendix 2.

Financial performance by exception

| Operating expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|--|--------------|---------|----------|-----|-----------|---------|
| Activity / budget result | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 7.1 Revenue | (6,717) | (5,928) | 790 | 13% | (8,595) | (8,327) |
| 7.1 Gross expenditure | 46,038 | 52,776 | 6,738 | 13% | 65,469 | 70,410 |
| 7.1 Transport network Opex | 39,320 | 46,848 | 7,528 | 16% | 56,875 | 62,083 |
| Underspend: Under budget in roading costs due to delays on contract costs tied with LGWM and a delay in expensing costs for the Ngauranga to Petone cycleway (full year \$2.4m is currently forecast to be a permanent saving for the year). COVID-19 resulted in the cessation of all but safety related work which along with depreciation is driving the forecast under spend. | | | | | | |

| Operating expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|---|--------------|----------|----------|-----|-----------|----------|
| Activity / budget result | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 7.2 Revenue | (24,107) | (24,082) | 25 | 0% | (27,274) | (32,307) |
| 7.2 Gross expenditure | 12,616 | 12,542 | (74) | -1% | 16,215 | 16,718 |
| 7.2 Parking Opex | (11,490) | (11,539) | (49) | 0% | (11,059) | (15,589) |
| Under revenue: Forecasted Parking revenue reduction due to COVID-19, from the 29th of March, was circa \$5m. | | | | | | |

| Capital expenditure by exception (>10% & \$500k of budget) \$000s | | | | | | |
|--|--------------|--------|----------|-----|-----------|--------|
| Activity | Year to date | | | | Full year | |
| | Actual | Budget | Variance | % | Forecast | Budget |
| 7.1 Transport network | 37,703 | 44,012 | 6,309 | 14% | 43,858 | 58,097 |
| Underspend: Under budget due to delays on road surface renewal work and timing on other large projects e.g. Bus Priority Planning (linked to LGWM), Ngaio Gorge and Wadestown route resilience. The cessation of work other than safety related through the Covid-19 lockdown has caused the year end forecast underspends to increase significantly. | | | | | | |

| | | | |
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Performance measures (KPIs) by exception

| Performance measure | 2018/19 result | 2019/20 target | Actual | Target | Variance | Variance explanation (where target is not met by >10%) |
|--------------------------------|----------------|----------------|---------|---------|----------|--|
| 7.1 Transport network | | | | | | |
| Wellington Cable Car | | | | | | |
| Total passenger trips | 1,170,932 | 1,206,633 | 822,710 | 964,896 | -15% | The result reflects impact of buses no longer delivering cruise ship passengers to the Cable Car terminal on Lambton Quay which has a direct impact on passenger numbers |
| Cable Car fare revenue (\$000) | 3,583 | 3,792 | 2,681 | 3,098 | -14% | |

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Summary

Operational Result

Overall the year to date for the nine months to March shows a \$13m deficit which is \$9.1m better than budget. This deficit is now expected to increase to \$16m deficit by year end which is \$21m worse than budget. The main cause of this expected change is the impact of the Covid-19 pandemic on the revenue generated by fees and charges due to restrictions caused by the Government 'lockdown' regulations.

Revenue

At the end of March revenue was \$11.8m ahead of budget (mainly due to unbudgeted landfill contaminated waste revenue and consent fees) however this is now forecast to be \$10.5m behind budget at year end, which is a movement of \$22.2m. The key assumptions of this forecast are as follows:

- full lockdown for three months to 30 June. Exceptions to this assumptions are waste Operations, BCC, Parking, Transport, Public Health were individually assessed depending on different circumstances
- no impact on Housing revenues, and
- rates, dividends and interest revenues were not impacted.

Operating Expenditure

Operating expenditure is approximately consistent with budget at the end of March (0.7% \$2.7m over budget). This is expected to increase to 1.9% or \$10.5m over budget at year end. Pre-Covid it was anticipated that this additional expenditure would be offset by increases in revenue. Some extra costs were incurred due to safety measures for the Covid-19 lockdown but these are not expected to impact significantly on the full year forecast.

Capital Expenditure

Capital Expenditure is \$32m behind budget at the end of March due to some significant projects being suspended for review and programme delivery delays. This underspend is expected to increase to \$55.4m by year end because of delays due the suspension of works due to the Covid-19 lockdown.

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Consolidated financial performance 1 July 2019-31 March 2020

This section details the Councils consolidated financial performance for year to date. Numbers in brackets indicated an unfavourable variance from budget.

| Net Operating Expenditure by Expenditure Type | YTD | | | Full Year | |
|---|-----------------|-----------------|-------------------|-------------------|-----------------|
| | Actual - \$000s | Budget - \$000s | Variance - \$000s | Forecast - \$000s | Budget - \$000s |
| Rates revenue | 243,753 | 244,392 | (639) | 325,856 | 325,856 |
| Revenue from activities | 102,441 | 97,597 | 4,844 | 134,317 | 146,386 |
| Investments revenue | 7,855 | 8,524 | (669) | 25,848 | 25,861 |
| Finance revenue | 1,995 | 10 | 1,985 | 5 | 13 |
| Other revenue | 29,822 | 25,334 | 4,488 | 44,564 | 44,954 |
| Development Contributions | 3,307 | 1,500 | 1,807 | 4,000 | 2,000 |
| Total Income | 389,173 | 377,357 | 11,816 | 534,526 | 545,070 |
| Personnel expenses | 92,882 | 90,834 | (2,048) | 123,229 | 121,765 |
| Contracts, Services, Materials | 141,778 | 139,424 | (2,354) | 199,198 | 192,943 |
| Professional Costs | 8,345 | 8,381 | 36 | 13,329 | 10,991 |
| General expenses | 58,344 | 57,305 | (1,039) | 80,536 | 76,351 |
| Depreciation and amortisation | 87,598 | 93,613 | 6,015 | 119,733 | 124,573 |
| Finance expense | 20,045 | 18,676 | (1,369) | 25,369 | 24,902 |
| Internal recharge and recoveries | (6,762) | (8,717) | (1,955) | (10,838) | (11,494) |
| Total Expenditure | 402,231 | 399,518 | (2,713) | 550,556 | 540,030 |
| Allocations | | 19 | 19 | | 0 |
| Net operating surplus / (deficit) | (13,058) | (22,180) | 9,122 | (16,031) | 5,040 |

The major Opex movements by account grouping and business unit for the nine months to March (year to date) were:

Year to date

- Revenue from Operating Activities \$4.8m (5%) favourable – Waste Operations income \$2.7m additional revenue for contaminated/special waste from city and regional projects as it was not budgeted. Revenue slowed marginally post lockdown, when domestic customers were unable to visit the landfill. This is also reflected in minor revenue reductions across most WCC revenue stream (e.g. Parking, Swimming pools etc.). City Housing income \$2.7m mainly relating to Te Mara lease revenue.
- Personnel \$2.0m (2%) unfavourable. Chief City Planner (\$0.3m) one off payments, City Consenting and Compliance (\$0.2m) due to salary and retention adjustments, ELT (\$0.4m) costs associated with additional roles, Parks, Sports & Recreation and Transport (\$0.5m and \$0.4m respectively) post budget approved increase in FTE's positions and not meeting the vacancy loading target.

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- Contracts, Services & Materials are \$2.4m (2%) unfavourable – CCOs and City Growth projects (\$0.9m) grant funding timing differences; Resilience and Sustainability (\$6.0m) mainly due to the 3 waters repair work, partially offset by City Design & Place Planning \$2.6m delays of contract costs and grant payments for the Ngauranga to Petone cycleway and Transport \$1.5m timing of work relative to the planned programme. During the lockdown most operations shut down completely. The exceptions to this were Transport which continued safety related work and 3 Waters which continued response related activities.
- Depreciation is \$6.0m (6%) favourable due to under-delivery of the capital programme. Transport \$3.0m due to delays in capital expenditure on Road Risk Mitigation, Wall, Bridge & Tunnel renewals and Tunnel & Bridge improvements and capitalisation on previous works; Property \$1.6m (Civic Precinct), 3 Waters have \$0.6m of delays in spend and capitalisation

Forecast

- Revenue from Operating Activities. As a consequence of the COVID-19 lockdown, we are now forecasting a worsening of \$16.4m to now be \$10.8m (8%) unfavourable. Despite this situation, Landfill fees and user charges are projected to be ahead of budget by \$1.8m as contaminated waste was not budgeted.
- Personnel \$1.5m (1%) unfavourable. City Consenting and Compliance (\$0.4m) due to salary and retention adjustments to meet market expectation and costs associated with supporting specific Council initiatives.
- Contracts, Services & Materials \$6.3m (3.2%) unfavourable. Primarily driven by forecast \$11.1m unbudgeted costs associated with Mt Albert sewage sludge pipe failure, resulting in trucking of sludge to landfill pending repair. Economic and Commercial Group currently have \$3.2m favourable variance in their forecasts which will be included at year end when CCO related activities are reflected in Council's final position. City Design & Place Planning includes \$3.2m favourable due to delay in Ngauranga to Petone cycleway, partially offset by \$3.2m in regards to LGWM and \$1.3m in anticipated District Plan costs. As for the YTD commentary above, during the lockdown most operations shut down completely. The exceptions to this were Transport which continued safety related work and 3 Waters which continued response related activities.
- Professional costs \$2.3m (21%) unfavourable. Transport (\$0.6m) design work on the work programme and training costs to lift the capability of the team, Legal services (\$0.5m) extrapolation based on a YTD (and historical) trend analysis, which includes unbudgeted litigation costs and Resilience & Sustainability (\$0.3m). There was no significant variance in forecast as a result of the COVID-19 pandemic.
- General Expenses \$3.7m (5%) unfavourable. Smart Council \$3.2m unfavourable due to increased IT service tower costs.
- Depreciation \$4.8m (4%) favourable. Property is \$2.3m favourable including Civic Precinct \$1.6m favourable due to construction delays, Waitohi \$0.6m favourable due to later opening than budgeted and Transport \$3.7m delays in programme of works, partially offset by Waterfront \$1.6m unfavourable due to asset revaluation.

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Expenditure

Net operating expenditure

| Net Operating Expenditure by Strategy Area | YTD | | | | Full Year | | | |
|--|-----------------|-----------------|-------------------|------------|-------------------|-----------------|-----------------|-------------|
| | Actual - \$000s | Budget - 000s | Variance - \$000s | % | Forecast - \$000s | Budget - \$000s | Var \$000s | % |
| Governance | 14,515 | 14,325 | (191) | (1%) | 18,401 | 19,007 | 606 | 3% |
| Environment | 127,098 | 121,767 | (5,331) | (4%) | 170,323 | 161,534 | (8789) | (5%) |
| Economic Development | 18,954 | 19,657 | 703 | 4% | 23,006 | 23,154 | 149 | 1% |
| Cultural Wellbeing | 19,377 | 18,730 | (648) | (3%) | 21,768 | 21,565 | (204) | (1%) |
| Social and Recreation | 62,163 | 66,069 | 3,906 | 6% | 88,267 | 86,624 | (1,644) | (2%) |
| Urban Development | 15,799 | 15,016 | (783) | (5%) | 24,690 | 19,862 | (4,829) | (24%) |
| Transport | 27,830 | 35,309 | 7,479 | 21% | 45,815 | 46,494 | 678 | 1% |
| Total all strategy areas | 285,736 | 290,873 | 5,137 | 2% | 392,270 | 378,240 | (14,030) | (4%) |
| Council | (272,678) | (268,692) | 3,986 | 1% | (376,239) | (383,279) | (7,040) | 2% |
| Total | (13,058) | (22,180) | 9,122 | 41% | (16,031) | 5,040 | (21,071) | 417% |

Key:
Actual, Budget and FY Budget () = net revenue, Variance & % () = deficit / overspend

At the end of March, the actual YTD underspend was \$9.1m. Areas of significant variance are:

Year to date

- Environment is \$5.3m (4%) unfavourable – being net result of 18% positive in increased contaminated waste revenue offsetting 22% overspend against wastewater related to CBD sludge pipeline.
- Social & Recreation is \$3.9m (6%) favourable – \$1.9 ahead in revenue due to Te Mara rent being ahead of budget and \$2.0m favourable on expenditure predominantly due to depreciation costs
- Transport is \$7.5m (21%) favourable arising from \$0.8m ahead on revenue (parking) and \$6.6m under budget on expenditure due to delays on contract costs.

Forecast

- Forecast expenditure for most Strategy areas are within a few percent of budget.
- Urban Development forecast is \$4.8m (-24%) unfavourable due to worsened revenue outlook forecast due to COVID-19.
- Environment is expected to be \$8.8m over budget, mainly due to \$11.1m of additional operating costs to truck sewage sludge from Moa Point to the landfill as a result of the failure of pipes under Mount Albert.
- Social and Recreational over budget mainly due to the impact of COVID-19 on the revenue for the swimming pools area.
- Transport is under budget in roading costs due to delays on contract costs tied with LGWM and a delay in expensing costs for the Ngauranga to Petone cycleway (full year \$2.4m is currently forecast to be a permanent saving for the year). COVID-19 resulted in the cessation of all but safety related work which along with depreciation is driving the forecast under spend. This is partially offset by under budget due lower than expected Parking revenue, mainly due to the impact of COVID-19

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- Council revenue forecast unfavourable by \$7m 2% due to unbudgeted FTE, IT service tower costs and the COVID-19 impact reducing capex activity (including NZTA income).

Capital Expenditure

| Capital Expenditure by Strategy Area | YTD | | | | Full Year | | | |
|--------------------------------------|-----------------|-----------------|-------------------|------------|-------------------|-----------------|---------------|------------|
| | Actual - \$000s | Budget - \$000s | Variance - \$000s | % | Forecast - \$000s | Budget - \$000s | Var \$000s | % |
| Governance | 48 | 90 | 42 | 47% | 145 | 145 | 0 | 0% |
| Environment | 34,651 | 43,336 | 8,686 | 20% | 56,717 | 61,054 | 4,338 | 7% |
| Economic Development | 1,741 | 3,028 | 1,287 | 43% | 1,427 | 4,139 | 2,712 | 66% |
| Cultural Wellbeing | 14,897 | 9,834 | (5,063) | (51%) | 19,625 | 17,178 | (2,447) | (14%) |
| Social and Recreation | 26,087 | 29,574 | 3,486 | 12% | 32,281 | 39,723 | 7,442 | 19% |
| Urban Development | 19,333 | 31,704 | 12,370 | 39% | 25,837 | 48,480 | 22,643 | 47% |
| Transport | 37,770 | 44,227 | 6,457 | 15% | 44,153 | 58,401 | 14,248 | 24% |
| Total strategy area | 134,528 | 161,793 | 27,265 | 17% | 180,183 | 229,120 | 48,936 | 21% |
| Council | 17,419 | 22,174 | 4,754 | 21% | 23,673 | 30,152 | 6,479 | 21% |
| Total Capital | 151,947 | 183,967 | 32,021 | 17% | 203,856 | 259,272 | 55,416 | 21% |

At the end of March, the YTD underspend was \$32.0m. Areas of significant variances are:

Year to date

- Council (mainly overhead costs) is \$4.8m (21%) underspent – lower than budgeted spends for the capital replace fund \$0.8m, Civic Property projects \$2.8m, unscheduled infrastructure renewals \$2.3m, Civic Campus \$2.7m, partially offset by higher than budgeted spend on the ICT infrastructure project (\$3.8m)
- Environment is \$8.7m (20%) underspent. The Omāroro project is \$3.9m favourable while work is suspended with the business case being reviewed, water network renewals \$1.1m, waste water pump station renewals \$1.3m, storm water network renewals \$1.6m and Stage 4 of the Southern Landfill project is \$1.7m are lower than budgeted. Waste water network renewals (\$3.5m)
- Economic Development is \$1.3m (43%) underspent.
- Cultural Wellbeing is \$5.1m (-51%) overspent – Wellington Convention Centre (\$5.2m) more than budgeted due to being ahead of schedule.
- Social & Recreation is \$3.5m (12%) underspent – Library upgrades is \$3.3m and Community Halls \$1.5m due to changes in the phasing of the programme of works, City Housing \$0.6m Playgrounds \$0.5m, Aquatic facilities \$0.4m, partially offset by overspends in Synthetic Turfs renewals (\$1.2m), and the Basin Reserve project (\$2.4m).
- Urban Development is \$12.4m (39%) underspent– Earthquake Risk Mitigation is \$7.3m under spent (St James \$3.9m and Town Hall \$2.5m), Wellington Waterfront is \$2.2m less than budgeted (Frank Kitts Park project \$2.2m) and the Housing Investment Programme \$1.8m.

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- Transport is \$6.5m (15%) underspent – Road Risk mitigation \$2.5m, Wall, Bridge and Tunnel renewals \$1.2m and Cycling improvements \$0.8m.

Forecast

A further \$23m underspend in capital expenditure is forecast to occur by year end (total \$55m) mainly due to the shut down and slow return to full construction capacity due to covid-19 lockdown.

- Council is \$6.5m (21%) underspent – lower than budgeted spends for the Civic Property projects \$3.6m, commercial property renewals \$1.0m, unscheduled infrastructure renewals \$3.0m, Civic Campus \$4.0m, partially offset by higher than budgeted spends on the ICT infrastructure project (\$5.0m)
- Environment is \$4.3m (7%) underspent. Coastal upgrades are \$2.9m and Stage 4 of the Southern Landfill project is \$2.0m are lower than budgeted.
- Economic Development is \$2.7m (66%) underspent – mainly due to delays at the St James theatre \$1.4m. Earthquake strengthening needs to be completed before progressing on to the renewals work and \$0.3m in relation to the Opera House HVAC.
- Cultural Wellbeing is \$2.4m (-14%) overspent– Wellington Convention Centre (\$2.7m) more than budgeted due to being ahead of budget schedule. This is a timing variance and is covered by bringing forward budget from future years. The forecasted overspend has reduced by \$2.5m due to the impact of the COVID-19 lockdown.
- Social & Recreation is \$7.4m (19%) underspent – mainly due to the re-phasing of the programme of works in Community Halls \$2.9m, City Housing \$3.5m, Libraries upgrades \$1.2m, Public Conveniences \$0.5m partially offset by planned overspends in Basin Reserve \$1.9m over budget.
- Urban Development is \$22.6m (47%) underspent – Earthquake Risk Mitigation is \$15.6m (St James \$6.3m and Town Hall \$7.6m [\$5.7m is as a result of COVID-19]), Central City Framework is \$3.7m less than budgeted (North Lambton Quay dependant on decisions regarding LGWM) and Wellington Waterfront is \$2.1m less than budgeted (Frank Kitts Park project \$2.2m)
- Transport is currently forecasting \$14.2m (24%) underspent - Road Risk mitigation \$4.4m, Wall, Bridge and Tunnel renewals \$2.1m, Cycling improvements \$2.1m and Tunnel and Bridge improvements \$1.3m, Pedestrian Network renewals \$1.0m and Road Corridor renewals \$0.8m. All of the items noted here are impacted by COVID-19.

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Treasury Report

Summary

- Policy compliance: all positions compliant.
- Funding headroom of \$151.5m.
- Net interest expense is now \$0.93m under budget in the year to date.
- Capex programme was underspent by \$32m (17.4%) year to date. This compares with an underspend of \$14.9m at Q2.

Borrowings

- Total committed borrowing facilities as at the end of March were \$767m providing headroom of \$151.5m.
- Our liquidity ratio is at 125% - 10% higher than the policy minimum.
- Total net borrowings at the end of March were \$615.5m.
- Gross borrowings were \$715m.
- The next maturity (\$20m LGFA bond) is due in April 2020. It has been prefunded.

COVID-19 Update

- Additional borrowings have been secured to cover the compounding revenue and cashflow shortfalls expected to occur in the last quarter of 2019/20 and to maintain the liquidity levels above the required threshold.
- In addition, the \$5m and \$40m facilities with BNZ have been extended to 2023.

| Counterparty | Value | Issue date | Maturity | Instrument | Rate | Included in this report |
|--------------|-------|------------|------------|--------------------|-------|-------------------------|
| Westpac | \$10m | 20/03/2020 | 17/09/2020 | CP | +62 | Yes |
| ANZ | \$20m | 15/04/2020 | 15/04/2021 | Fixed Rate Note | 1.35% | No |
| LGFA | \$30m | 15/04/2020 | 15/05/2021 | Floating Rate Note | +58 | No |
| LGFA | \$25m | 17/04/2020 | 14/04/2022 | Floating Rate Note | +59 | No |

Investments

- Deposits were at \$99.5m, down \$41m from December. \$50m will be held on deposit for prefunding until respective debt maturity dates (April, August and November 2020).

Treasury Policy Compliance

At 31 March 2020, all of the core policy compliance requirements were achieved as shown in the below tables:

Liquidity

| Policy (min) | Current | Compliant |
|--------------|---------|-----------|
| 115% | 125% | Yes |

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| Item | Compliant |
|---------------------------------|-----------|
| Borrowing per bank counterparty | Yes |

Debt funding maturity profile

| Period | Minimum % | Maximum % | Actual | Compliant |
|-----------|-----------|-----------|--------|-----------|
| 0-3 years | 15% | 60% | 38% | Yes |
| 3-5 years | 15% | 60% | 27% | Yes |
| 5+ years | 15% | 60% | 35% | Yes |

Fixed rate maturity profile

| Debt Period Ending | Debt Forecast | Minimum % | Maximum % | Actual | Compliant |
|--------------------|---------------|-----------|-----------|--------|-----------|
| Current | 715.0 | N/A | N/A | 73% | N/A |
| Year 1 | 837.9 | 50% | 80% | 59% | Yes |
| Year 2 | 941.1 | 45% | 80% | 52% | Yes |
| Year 3 | 1,009.9 | 40% | 80% | 47% | Yes |
| Year 4 | 1,046.6 | 35% | 75% | 46% | Yes |
| Year 5 | 1,091.9 | 30% | 70% | 44% | Yes |
| Year 6 | 1,168.5 | 20% | 65% | 35% | Yes |
| Year 7 | 1,186.4 | 10% | 60% | 34% | Yes |
| Year 8 | 1,167.7 | 0% | 55% | 30% | Yes |
| Year 9 | 1,161.8 | 0% | 50% | 27% | Yes |
| Year 10 | 1,161.8 | 0% | 45% | 24% | Yes |
| Year 11 | 1,161.8 | 0% | 40% | 19% | Yes |
| Year 12 | 1,161.8 | 0% | 35% | 10% | Yes |
| Year 13 | 1,161.8 | 0% | 30% | 6% | Yes |
| Year 14 | 1,161.8 | 0% | 30% | 0% | Yes |
| Year 15 | 1,161.8 | 0% | 30% | 0% | Yes |
| Year 16 | 1,161.8 | 0% | 30% | 0% | Yes |

Carbon

| Policy amount required (units) | Current holdings (units) | Compliant |
|--------------------------------|--------------------------|-----------|
| 204,905 | 449,270 | Yes |

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Appendix One: Detailed quarter four performance against target

Appendix one contains detailed quarterly results against target for each activity area. The quarter result includes an end of quarter status indicator that reflects the definitions below. For more information on measures that have a status of Amber or Red see the relevant activity area in Section Two.

| Status | Definition |
|--------|---|
| Blue | Target exceeded (i.e. the actual result is greater than 10% over target) |
| Green | Target met (i.e. actual result is between 10% under and 10% over target) |
| Red | Target not met (i.e. the actual result is greater than 10% under target) |
| NA | No status result to report |
| * | The measure is mandatory |

| Performance measure | 2018/19 Result | 2019/20 Target | 2019/20 Actual | YTD % Var. | Quarterly Status | | |
|---|----------------|----------------|------------------------|------------|------------------|-------|-------|
| 1. Mana Whakahaere Governance | | | | | | | |
| 1.1 Mana Whakahaere, Pārongo me ngā mahi whai wāhi Governance, information and engagement | | | | | | | |
| Facilitating democratic decision-making | | | | | | | |
| Meeting and committee agendas (%) made available to the public within statutory timeframes (2 working days prior to meetings) | 100% | 100% | 100% | 0% | Green | Green | Green |
| Meeting and committee agendas (%) made available to the public at least 4 days prior to meetings | 97% | 70% | 94% | 34% | Blue | Blue | Blue |
| Providing information and a point of contact | | | | | | | |
| Contact Centre - Contacts responded to (calls) | 270,675 | NA | 193,711 | NA | Grey | Grey | Grey |
| Contact Centre - contacts responded to within target timeframes (calls within 30 seconds) | 80% | 85% | 80.1% | -6% | Green | Green | Green |
| Contact Centre - Contacts responded to (emails) | 32,307 | NA | 22,443 | NA | Grey | Grey | Grey |
| Contact Centre - contacts responded to within target timeframes (emails within 24 hours) | 99% | 100% | 100% | 0% | Green | Green | Green |
| City Archives – users (%) satisfied with services and facilities | 86.6% | 75% | No responses during Q3 | NA | Grey | Grey | Grey |
| Official information requests (%) handled within Local Government Official Information and Meetings Act legislative timeframe | 97.08% | 90% | 94% | 5% | Green | Green | Green |
| 1.2 Rangapū Māori/Mana Whenua Māori and mana whenua partnerships | | | | | | | |
| No quarterly measures | | | | | | | |

| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status |
|---------------------|----------------|----------------|--------------------|------------|------------------|
|---------------------|----------------|----------------|--------------------|------------|------------------|

Performance summary

Section 1: activity area performance

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| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status | | |
|--|----------------|----------------|------------------------|------------|------------------|--|--|
| 2. Taiao Environment | | | | | | | |
| 2.1 Ngā māra, tātaihi Parks, beaches and open spaces | | | | | | | |
| Utilisation | | | | | | | |
| Number estimated number of visitors to the Wellington Botanic Gardens and Otari-Wilton's Bush | 1,246,162 | 1,280,000 | 1,233,307 estimated | Na | | | |
| Number of formal education attendees at Council programmes (School & Community) | 2,102 | > previous | 1,145 | -27% | | | |
| Numbers down in Q3 due to weather & COVID19 | | | | | | | |
| 2.2 Whakaheke para, Tiaki pūngao Waste reduction and energy conservation | | | | | | | |
| Waste minimisation activities | | | | | | | |
| Volume of waste diverted from landfill (tonnes) | 19,526 tonnes | 20,000 tonnes | 14,253 | -5% | | | |
| Energy conservation | | | | | | | |
| Energy cost (\$) | \$6,328,978 | <\$6,328,978 | \$4,496,426 | 3% | | | |
| Amount of energy used (kWh) | 50,824,029 kWh | 48,282,828 kWh | 32,907,466 | 8% | | | |
| Estimated energy savings (kWh) | 3,890,568 | 2,541,201 | 4,105,601 | 117% | | | |
| <i>Previously over-estimated gas usage reversed. A new meter reading required to correct reported values</i> | | | | | | | |

Note: Wellington Water performance data not available due to the operational impact of the pandemic

| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status | | |
|---|----------------|----------------|--------------------|------------|------------------|--|--|
| 2.3 Waimāori Water supply | | | | | | | |
| Clean and safe | | | | | | | |
| Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria)* | Compliant | Compliant | | | | | |
| Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 5 protozoal compliance criteria)* | Compliant | Compliant | | | | | |
| Meeting customer expectations | | | | | | | |
| Number of complaints about the drinking water's clarity, taste, odour, pressure or flow, continuity of supply, and supplier responsiveness, expressed per 1000 connections* | 12.01 per 1000 | <20 per 1000 | | | | | |
| Continuity of supply and resolution of faults | | | | | | | |
| Median response time for attendance for urgent call outs*(minutes) | 48 minutes | 60 minutes | | | | | |
| Median response time for resolution for urgent call outs* (hours) | 4.38 hours | 4 hours | | | | | |
| Median response time for attendance for non-urgent call outs* (hours) | 74.3 hours | 36 hours | | | | | |
| Median response time for resolution for non-urgent call outs* (days) | 4.89 days | 5 days | | | | | |
| Water supply interruptions (customer hours) | 0.94 hours | 0.94 hours | | | | | |

| | | | |
|---------------------|--------------------------------------|----------------------------------|------------|
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|---------------------|--------------------------------------|----------------------------------|------------|

| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status | | |
|---|----------------|----------------|--------------------|------------|------------------|--|--|
| Efficiency and sustainability | | | | | | | |
| Average drinking water consumption resident/day* litres | 361 litres | 365 litres | | | | | |
| 2.4 Waipara Wastewater | | | | | | | |
| Compliance and sustainability | | | | | | | |
| Dry weather wastewater overflows, expressed per 1000 connections* | 0.83 per 1000 | 0 | | | | | |
| Compliance with the resource consents for discharge from the sewerage system, measured by the number of: | | | | | | | |
| Abatement notices, | 0 | 0 | | | | | |
| Infringement notices, | 0 | 0 | | | | | |
| Enforcement orders, | 0 | 0 | | | | | |
| Convictions* | 0 | 0 | | | | | |
| Meeting customer expectations | | | | | | | |
| Number of complaints about the wastewater odour, system faults, blockages, and supplier responsiveness, expressed per 1000 connections* | 16.2 per 1000 | <30 per 1000 | | | | | |
| Continuity of service and resolution of faults | | | | | | | |
| Number of wastewater reticulation incidents per km of reticulation pipeline (blockages) | 0.52 per km | ≤0.8 per km | | | | | |
| Median response time for wastewater overflows* (attendance time in hours) | 0.72 hours | ≤1 hour | | | | | |
| Median response time for wastewater overflows* (resolution time in hours) | 3.12 hours | ≤6 hours | | | | | |
| 2.5 Waiāwhā Stormwater | | | | | | | |
| Continuity of service and resolution of faults | | | | | | | |
| Number of flooding events* | 5 | 5 | | | | | |
| Number of pipeline blockages per km of pipeline | 0.02 /km | ≤0.5 | | | | | |
| Number of habitable floors per 1000 connected homes per flooding event* | 0.14 per 1000 | 0.144 | | | | | |
| Median response time to attend a flooding event* (minutes) | 48 minutes | ≤60 minutes | | | | | |
| Days (%) during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use | 99.8% | 90% | | | | | |
| Monitored sites (%) that have a rolling 12-month median value for (dry weather samples) that do not exceed 1000 cfu/100ml | 78% | 90% | | | | | |
| Compliance with the resource consents for discharge from the stormwater system, measured by the number of: | | | | | | | |
| Abatement notices | 0 | 0 | | | | | |
| Infringement notices | 0 | 0 | | | | | |
| Enforcement orders | 0 | 0 | | | | | |
| Convictions* | 0 | 0 | | | | | |
| Meeting customer expectations | | | | | | | |
| Number of complaints about stormwater system performance per 1000 connections* | <20 per 1000 | 7.65 | | | | | |

* = Mandatory measures

Performance summary

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| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status | | |
|--|----------------|----------------|--------------------|------------|------------------|---|---|
| 2.6 Ngā painga kukume Papa Atawha Conservation attractions | | | | | | | |
| Wellington Zoo | | | | | | | |
| Total number of visitors | 252,973 | 254,400 | 169,581 | -8% | ■ | ■ | ■ |
| Education visitors | 12,023 | 10,500 | 8,059 | -4% | ■ | ■ | ■ |
| Zealandia | | | | | | | |
| Number of Visitors | 138,141 | 118,100 | 108,342 | 15% | ■ | ■ | ■ |
| Number of Education visits | 11,727 | 8,800 | 7,674 | 17% | ■ | ■ | ■ |
| <i>Strong performance before heading into lockdown, with very successful lower decile schools programme.</i> | | | | | | | |
| Number of individual memberships | 10,932 | 11,000 | 12,573 | 14% | ■ | ■ | ■ |
| <i>6% increase in memberships during Q3</i> | | | | | | | |
| Customer satisfaction | 97% | >95% | 93% | -2% | ■ | ■ | ■ |

| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | Progress YTD | Quarterly Status | | |
|--|----------------|----------------|--------------------|--------------|------------------|---|---|
| 3. Whanaketanga ōhanga Economic Development | | | | | | | |
| 3.1 City promotions and business support | | | | | | | |
| WREDA (WellingtonNZ) | | | | | | | |
| Value of business events (\$m) | \$19.3 | \$19m | \$12.4m | Behind | ■ | ■ | ■ |
| Total number of events held in Wellington | 419 | 450 | 322 | Behind | ■ | ■ | ■ |
| Total visitor spend (\$b) | \$2.702 | \$2.755 | \$1.636 | NA | ■ | ■ | ■ |
| Total event attendance | 619,232 | 700,000 | NA | NA | ■ | ■ | ■ |
| Number of actively supported businesses through regional business partner programme | 472 | 445 | NA | NA | ■ | ■ | ■ |
| WellingtonNZ does not set quarterly KPI targets, results above are shown as progress towards annual goals. | | | | | | | |

| Performance measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status | | |
|--|----------------|----------------|--------------------|------------|------------------|---|---|
| 4. Oranga ahurea Cultural wellbeing | | | | | | | |
| 4.1 Arts and cultural activities | | | | | | | |
| Grant outcomes (%) achieved (through funded outcomes – four out of five - being met) - Arts and Culture Fund | 92% | 80% | Reported in Q4 | NA | ■ | ■ | ■ |
| Wellington Museums Trust – utilisation | | | | | | | |
| <i>Total visitors Museums Trust*:</i> | 770,320 | 665,500 | 519,854 | 1% | ■ | ■ | ■ |
| City Gallery Wellington | 153,676 | 150,000 | 107,077 | -5% | ■ | ■ | ■ |
| Wellington Museum | 132,953 | 130,000 | 97,186 | -6% | ■ | ■ | ■ |
| Cable Car Museum | 288,889 | 256,000 | 188,651 | -9% | ■ | ■ | ■ |
| Nairn Street Cottage | 2,104 | 2,000 | 706 | -56% | ■ | ■ | ■ |
| <i>* Marketing material and imagery is being refreshed to attract new audiences.</i> | | | | | | | |
| Capital E** | 137,015** | 70,500 | 84,719 | 61% | ■ | ■ | ■ |
| <i>** Well ahead of target due mainly to the strong support for the Maker Faire programme. Capital E targets for 2019-20 excluded Hannah Playhouse visitation figures, however as the agreement with the Hannah, Playhouse Trust was subsequently extended, the actual numbers above are inclusive</i> | | | | | | | |
| Space Place | 55,683 | 57,000 | 41,515 | 6% | ■ | ■ | ■ |

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| Performance Measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status |
|---|----------------|----------------|--------------------|------------|------------------|
| 5. Kaupapa Pāpori me ngā Mahi a Rēhia Social and recreation | | | | | |
| 5.1 Recreation promotion and support | | | | | |
| Utilisation | | | | | |
| Artificial sports-field (%) utilisation - peak winter | 82% | 80% | 84% | 5% | Green |
| Artificial sports-field (%) utilisation - peak summer | 29% | 40% | Reported in Q4 | NA | Grey |
| Artificial sports-field (%) utilisation - off-peak winter | 18% | 25% | 14% | -44% | Red |
| <i>The dry winter (2019) meant that our grass fields were used a lot more and the use of the artificial turf during peak times has increased. Both of these have impacted on the use of fields during off-peak times.</i> | | | | | |
| Artificial sports-field (%) utilisation - off-peak summer | 9% | 20% | Reported in Q4 | | Grey |
| Swimming pool visits (total): | 1,256,024 | 1,321,000 | 815,163 | -19% | Green |
| WRAC | 576,082 | 584,000 | 386,514 | -11% | Green |
| Tawa | 70,806 | 86,600 | 59,373 | -11% | Blue |
| Freyberg | 216,145 | 220,252 | 149,724 | -7% | Green |
| Keith Spry: <i>Attendance down due to building of Waitohi & disruption to users. reduced numbers in March due to Covid19</i> | 175,122 | 189,500 | 94,471 | -33% | Red |
| Karori | 164,487 | 183,074 | 86,196 | -40% | Red |
| Thorndon (normally open 26th Oct - 5 April) | 39,237 | 42,074 | 29,481 | -28% | Green |
| Khandallah (open 7th December - 1 March) | 14,145 | 15,500 | 9,404 | -39% | Red |
| Marinas occupancy (%) | 98% | 98% | 97% | 1% | Green |
| Recreation centre visits total, including ASB Sports Centre (total): | 1,223,588 | 1,165,000 | 803,213 | -3% | Blue |
| Karori Rec. Centre - <i>The centre was closed all of December for refurbishment so lower Q2 numbers than normal.</i> | 111,836 | 105,000 | 56,029 | -27% | Red |
| Kilbirnie Rec. Centre | 92,966 | 80,000 | 48,142 | -16% | Green |
| Nairville Rec. Centre | 162,189 | 140,000 | 111,256 | 22% | Blue |
| Tawa Rec. Centre | 26,475 | 25,000 | 27,075 | 43% | Blue |
| ASB Sports Centre | 830,122 | 815,000 | 560,711 | -4% | Blue |
| Number of uses of Leisure Card | 141,763 | 148,000 | 85,734 | -23% | Green |
| Basin Reserve Trust | | | | | |
| Basin Reserve - Total event days (excluding practice days) | 97 | 121 | 134 | 31% | Green |
| Attendance at all events | 134,858 | 41,000 | 41,137 | 8% | Red |
| Practice facility usage days | 122 | 100 | 73 | -27% | Red |
| Number of function days | 53 | 25 | 67 | 252% | Blue |
| 5.2 Libraries | | | | | |
| Libraries utilisation | | | | | |
| Library items issued (physical) | 2,244,761 | increase | 1,418,601 | Not met | Red |
| Library items issued (e-library) | 475,745 | 340,000 | 456,885 | 79.2% | Blue |
| Estimates of attendees of library programmes | 71,717 | 75,000 | 45,310 | -19.4% | Green |
| Library physical visits | 2,021,003 | 2,400,000 | 1,075,685 | -41.1% | Red |
| Library website visits | 4,840,980 | 3,300,000 | 2,741,332 | 14.2% | Blue |
| Libraries affordability | | | | | |

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Section 1: activity area performance

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| Performance measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status |
|---|----------------|----------------|--------------------|------------|------------------|
| Cost to the ratepayer per library transaction | \$2.39 | Improve | \$3.45 | Not met | |
| <i>Costs for the setup of the new CBD replacement library branch Te Awe were coming on stream but without the subsequent customer transactions. Opening is likely to be delayed until the new financial year.</i> | | | | | |
| Community Centres utilisation | | | | | |
| Occupancy (%) of Council community centres and halls | 42% | 45% | 39% | -13% | |
| Grants outcomes (%) achieved (through funded outcomes – four out of five – being met) - Social and Recreation Fund | 89.7% | 80% | Reported in Q4 | NA | |
| Housing quality and usage | | | | | |
| Occupancy rate of available housing facilities | 96% | 90% | 98% | 9% | |
| All tenants (existing and new) housed within policy | 99% | 98% | 99% | 1% | |
| 5.3 Public health and safety | | | | | |
| Timeliness | | | | | |
| Graffiti removal – response timeframes (%) met | 91% | 80% | 89% | 11% | |
| Dog control - urgent requests (%) responded to within 1 hour | 95% | 100% | 89% | -11% | |
| Dog control - non-urgent requests (%) responded to within 24 hours | 97% | 99% | 95% | -4% | |
| Public toilets - urgent requests (%) responded to within 4 hours | 94% | 100% | 97% | -3% | |
| Public toilets - non-urgent requests (%) responded to within 3 days | 90% | 95% | 96% | 1% | |
| Hygiene standard | | | | | |
| Toilets (%) that meet required cleanliness and maintenance performance standards | 94% | 95% | 95% | 0% | |

| Performance measure | 2018/19 Result | 2019/20 Target | 2019/20 YTD Actual | YTD % Var. | Quarterly Status |
|--|----------------|----------------|--------------------|------------|------------------|
| 6. Tāone tupu ora Urban development | | | | | |
| 6.1 Urban planning, heritage and public spaces development | | | | | |
| No quarterly measures | | | | | |
| 6.2 Building and development | | | | | |
| Timeliness | | | | | |
| Building consents (%) issued within 20 working days | 89% | 100% | 80% | -20% | |
| Code of compliance certificates (%) issued within 20 working days | 88% | 100% | 95% | -5% | |
| Land Information Memorandums (LIMs) (%) issued within 10 working days | 58% | 100% | 82% | -18% | |
| Resource consents (non-notified) (%) issued within statutory timeframes | 95.5% | 100% | 92% | -8% | |
| Resource consents (%) that are monitored within 3 months of project commencement | 96.25% | 100% | 98% | -2% | |
| Subdivision certificates – section 223 certificates (%) issued within statutory timeframes | 98.50% | 100% | 94% | -6% | |

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Appendix Two: Detailed financial performance information

Detailed operating and capital expenditure for July - Dec 2019

Key: Actual, Budget and FY Budget () = net revenue, Variance () = deficit/ overspend

a) Operating expenditure

Governance

| Group | Activity | Activity Description | YTD | | | Full year |
|---------------------|----------|--------------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 1.1 | 1000 | Annual Planning | 935 | 1,002 | 67 | 1,351 |
| 1.1 | 1001 | Policy | 1,055 | 1,005 | (49) | 1,354 |
| 1.1 | 1002 | Committee & Council Process | 5,977 | 6,072 | 95 | 7,972 |
| 1.1 | 1003 | Strategic Planning | 508 | 623 | 114 | 802 |
| 1.1 | 1004 | Tawa Community Board - Discretionary | 4 | 9 | 5 | 12 |
| 1.1 | 1005 | Smart Capital - Marketing | 1 | - | (1) | - |
| 1.1 | 1007 | WCC City Service Centre | 2,485 | 2,178 | (307) | 2,921 |
| 1.1 | 1008 | Call Centre SLA | 1 | 108 | 107 | 143 |
| 1.1 | 1009 | Valuation Services Contract | 475 | 412 | (63) | 551 |
| 1.1 | 1010 | Lands Information | 951 | 1,032 | 80 | 1,380 |
| 1.1 | 1011 | Archives | 1,881 | 1,647 | (233) | 2,205 |
| 1.2 | 1012 | Funding agreements – Maori | 147 | 156 | 9 | 208 |
| 1.2 | 1013 | Maori Engagement | 95 | 81 | (14) | 108 |
| Activity area total | | | 14,515 | 14,325 | (191) | 19,007 |

Environment

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|--|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 2.1 | 1014 | Parks and Reserves Planning | 569 | 695 | 126 | 933 |
| 2.1 | 1015 | Reserves Unplanned Maintenance | 81 | 135 | 54 | 197 |
| 2.1 | 1016 | Turf Management | 1,198 | 1,105 | (93) | 1,475 |
| 2.1 | 1017 | Park Furniture and Infrastructure Mtnc | 1,351 | 1,348 | (3) | 1,816 |
| 2.1 | 1018 | Parks and Buildings Maintenance | 801 | 765 | (36) | 1,026 |
| 2.1 | 1019 | Horticultural Operations | 1,394 | 1,578 | 184 | 2,125 |
| 2.1 | 1020 | Arboricultural Operations | 1,200 | 1,075 | (124) | 1,469 |

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| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|---|---------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 2.1 | 1021 | Botanic Gardens Services | 3,959 | 3,695 | (264) | 4,968 |
| 2.1 | 1022 | Coastal Operations | 1,035 | 978 | (57) | 1,469 |
| 2.1 | 1024 | Road Corridor Growth Control | 830 | 860 | 29 | 1,151 |
| 2.1 | 1025 | Street Cleaning | 5,186 | 6,002 | 816 | 8,026 |
| 2.1 | 1026 | Hazardous Trees Removal | 243 | 331 | 88 | 472 |
| 2.1 | 1027 | Town Belts Planting | 400 | 681 | 282 | 976 |
| 2.1 | 1028 | Townbelt-Reserves Management | 2,928 | 3,259 | 330 | 4,323 |
| 2.1 | 1030 | Community greening initiatives | 358 | 465 | 107 | 662 |
| 2.1 | 1031 | Environmental Grants Pool | 81 | 79 | (1) | 104 |
| 2.1 | 1032 | Walkway Maintenance | 786 | 626 | (160) | 838 |
| 2.1 | 1033 | Weeds & Hazardous Trees Monitoring | 786 | 614 | (172) | 820 |
| 2.1 | 1034 | Animal Pest Management | 978 | 866 | (112) | 1,440 |
| 2.1 | 1035 | Waterfront Public Space Management | 5,409 | 4,695 | (714) | 6,261 |
| 2.2 | 1036 | Landfill Operations & Maintenance | (3,777) | (848) | 2,929 | (1,132) |
| 2.2 | 1037 | Suburban Refuse Collection | (327) | (246) | 81 | (312) |
| 2.2 | 1038 | Domestic Recycling | 1,413 | 932 | (481) | 1,045 |
| 2.2 | 1039 | Waste Minimisation Info | 670 | 755 | 85 | 1,033 |
| 2.2 | 1040 | Litter Enforcement | 84 | 7 | (77) | 9 |
| 2.2 | 1041 | Closed Landfill Gas Migr Monitoring | 519 | 373 | (146) | 498 |
| 2.2 | 1042 | Smart Energy | 299 | 165 | (134) | 220 |
| 2.3 | 1043 | Water - Meter Reading | 79 | 123 | 44 | 165 |
| 2.3 | 1044 | Water - Network Maintenance | 5,192 | 3,686 | (1,506) | 4,927 |
| 2.3 | 1045 | Water - Water Connections | (71) | (28) | 42 | (38) |
| 2.3 | 1046 | Water - Pump Stations Maintenance-Ops | 872 | 800 | (71) | 1,069 |
| 2.3 | 1047 | Water - Asset Stewardship | 15,320 | 15,635 | 315 | 20,833 |
| 2.3 | 1048 | Water - Reservoir-Dam Maintenance | 45 | 87 | 41 | 116 |
| 2.3 | 1049 | Water - Monitoring & Investigation | 692 | 584 | (108) | 782 |
| 2.3 | 1050 | Water - Asset Management | 224 | 465 | 242 | 624 |
| 2.3 | 1051 | Water - Bulk Water Purchase | 13,455 | 13,912 | 457 | 18,549 |
| 2.4 | 1052 | Wastewater - Asset Stewardship | 13,142 | 13,599 | 457 | 18,122 |
| 2.4 | 1053 | Wastewater - Trade Waste Monitoring & Investigation | 12 | 208 | 196 | 279 |
| 2.4 | 1055 | Wastewater - Network Maintenance | 3,391 | 2,022 | (1,368) | 2,707 |
| 2.4 | 1057 | Wastewater - Asset Management | 364 | 979 | 614 | 1,308 |
| 2.4 | 1058 | Wastewater - Monitoring & Investigation | 1,065 | 1,514 | 449 | 2,028 |
| 2.4 | 1059 | Wastewater - Pump Station Maintenance- | 1,125 | 1,037 | (88) | 1,386 |
| 2.4 | 1060 | Wastewater - Treatment Plants | 22,664 | 14,265 | (8,399) | 19,051 |
| 2.4 | 1062 | Sewerage Disposal | 794 | 1,025 | 230 | 1,366 |
| 2.5 | 1063 | Stormwater - Asset Stewardship | 10,638 | 10,826 | 187 | 14,427 |
| 2.5 | 1064 | Stormwater - Network Maintenance | 1,706 | 1,526 | (180) | 2,044 |
| 2.5 | 1065 | Stormwater - Monitoring & Investigation | 600 | 669 | 69 | 896 |

| | | | |
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| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|--|---------|---------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 2.5 | 1066 | Stormwater - Asset Management | 475 | 794 | 319 | 1,064 |
| 2.5 | 1067 | Drainage Maintenance | 650 | 696 | 46 | 930 |
| 2.5 | 1068 | Stormwater - Pump Station MaintenanceOps | (31) | 44 | 75 | 59 |
| 2.6 | 1069 | Karori Sanctuary | 1,386 | 1,411 | 24 | 1,537 |
| 2.6 | 1070 | Wellington Zoo Trust | 4,855 | 4,898 | 43 | 5,391 |
| Activity area total | | | 127,098 | 121,767 | (5,331) | 161,534 |

Economic Development

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|--|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 3.1 | 1073 | Positively Wellington Tourism | 5,749 | 5,749 | - | 5,749 |
| 3.1 | 1074 | Events Fund | 4,427 | 4,687 | 260 | 4,874 |
| 3.1 | 1075 | Wellington Venues | 2,808 | 3,433 | 624 | 4,809 |
| 3.1 | 1076 | Destination Wellington | 1,644 | 1,359 | (285) | 1,813 |
| 3.1 | 1077 | City Innovation | 235 | 816 | 581 | 1,093 |
| 3.1 | 1078 | Wellington Convention & Exhibition Centre (WCEC) | 1,155 | 887 | (267) | 1,183 |
| 3.1 | 1080 | Economic Development Grant Pool | - | - | - | - |
| 3.1 | 1081 | Economic Growth Strategy | 225 | 442 | 217 | 592 |
| 3.1 | 1082 | City Growth Fund | 1,785 | 1,343 | (442) | 1,787 |
| 3.1 | 1084 | Major Projects | 0 | 7 | 7 | 9 |
| 3.1 | 1086 | Westpac Stadium | - | - | - | .33 |
| 3.1 | 1087 | International Relations | 535 | 683 | 148 | 908 |
| 3.1 | 1089 | Business Improvement Districts | 391 | 251 | (140) | 335 |
| Activity area total | | | 18,954 | 19,657 | 703 | 23,154 |

Cultural Wellbeing

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|-----------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 4.1 | 1090 | Wellington Museums Trust | 9,341 | 8,814 | (528) | 9,363 |
| 4.1 | 1092 | Te Papa Funding | 1,688 | 1,688 | - | 2,250 |
| 4.1 | 1093 | Carter Observatory | 752 | 622 | (129) | 700 |
| 4.1 | 1095 | City Events Programme | 2,044 | 1,966 | (77) | 2,745 |
| 4.1 | 1097 | Citizen's Day - Mayoral Day | 23 | 23 | - | 23 |
| 4.1 | 1098 | Cultural Grants Pool | 1,173 | 1,242 | 69 | 1,282 |
| 4.1 | 1099 | Wgtn Conv Cntr Comm Subsidy | 95 | 145 | 50 | 200 |
| 4.1 | 1100 | City Arts Programme | 366 | 330 | (37) | 420 |

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|-------------------------|---------------|---------------|--------------|---------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 4.1 | 1101 | NZSO Subsidy | 169 | 156 | (14) | 216 |
| 4.1 | 1102 | Toi Poneke Arts Centre | 815 | 754 | (61) | 1,008 |
| 4.1 | 1103 | Public Art Fund | 375 | 370 | (5) | 504 |
| 4.1 | 1104 | New Zealand Ballet | 269 | 277 | 8 | 313 |
| 4.1 | 1105 | Orchestra Wellington | 285 | 306 | 21 | 306 |
| 4.1 | 1106 | Regional Amenities Fund | 648 | 625 | (23) | 630 |
| 4.1 | 1207 | Capital of Culture | 1,335 | 1,413 | 78 | 1,603 |
| Activity area total | | | 19,377 | 18,730 | (648) | 21,565 |

Social and Recreation

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|----------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 5.1 | 1107 | Swimming Pools Operations | 12,698 | 12,429 | (269) | 16,469 |
| 5.1 | 1108 | Sportsfields Operations | 2,598 | 2,596 | (3) | 3,406 |
| 5.1 | 1109 | Synthetic Turf Sport Operations | 869 | 970 | 101 | 1,150 |
| 5.1 | 1110 | Recreation Centres | 1,758 | 1,711 | (47) | 2,272 |
| 5.1 | 1111 | ASB Sports Centre | 3,718 | 3,558 | (160) | 4,714 |
| 5.1 | 1112 | Basin Reserve Trust | 1,228 | 1,190 | (38) | 1,359 |
| 5.1 | 1113 | Recreational NZ Academy Sport | 45 | 47 | 2 | 47 |
| 5.1 | 1114 | Playground & Skate Facility Mtnc | 698 | 784 | 85 | 1,044 |
| 5.1 | 1115 | Marina Operations | 25 | 17 | (8) | 53 |
| 5.1 | 1116 | Municipal Golf Course | 123 | 142 | 18 | 188 |
| 5.1 | 1117 | Recreation Programmes | 343 | 418 | 74 | 559 |
| 5.2 | 1118 | Library Network - Wide Operation | 10,342 | 10,983 | 641 | 14,777 |
| 5.2 | 1119 | Branch Libraries | 5,833 | 5,916 | 83 | 7,910 |
| 5.2 | 1120 | Passport to Leisure Programme | 69 | 89 | 20 | 119 |
| 5.2 | 1121 | Community Advice & Information | 1,200 | 1,199 | - | 1,585 |
| 5.2 | 1122 | Community Grants | 151 | 187 | 36 | 250 |
| 5.2 | 1123 | Support for Wgtn Homeless | 209 | 223 | 14 | 223 |
| 5.2 | 1124 | Social & Recreational Grant Pool | 3,670 | 3,883 | 213 | 4,073 |
| 5.2 | 1125 | Housing Operations and Mtce | 2,641 | 6,665 | 4,025 | 8,920 |
| 5.2 | 1126 | Housing Upgrade Project | 300 | 94 | (206) | 125 |
| 5.2 | 1127 | Community Props Programmed Maint | 480 | 571 | 91 | 763 |
| 5.2 | 1128 | Community Halls Ops and Maint. | 500 | 409 | (91) | 547 |
| 5.2 | 1129 | Community Prop & Facility Ops | 1,406 | 1,374 | (32) | 1,827 |
| 5.2 | 1130 | Accommodation Assistance Fund | 194 | 174 | (20) | 232 |
| 5.2 | 1208 | CBD Library Services Network | 1,558 | 998 | (560) | 1,330 |

| | | | |
|---------------------|--------------------------------------|----------------------------------|------------|
| Performance summary | Section 1: activity area performance | Section 2: financial performance | Appendices |
|---------------------|--------------------------------------|----------------------------------|------------|

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|---------------------------------|---------------|---------------|--------------|---------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 5.3 | 1131 | Burial & Cremation Operations | 913 | 807 | (105) | 1,079 |
| 5.3 | 1132 | Contracts - Public Conveniences | 2,895 | 2,783 | (112) | 3,711 |
| 5.3 | 1133 | Public Health | 1,912 | 1,704 | (207) | 2,279 |
| 5.3 | 1134 | Noise Monitoring | 414 | 681 | 267 | 911 |
| 5.3 | 1135 | Anti-Graffiti Flying Squad | 593 | 708 | 115 | 946 |
| 5.3 | 1136 | Safe City Project Operations | 1,589 | 1,520 | (69) | 2,034 |
| 5.3 | 1137 | Civil Defence | 1,164 | 1,206 | 42 | 1,679 |
| 5.3 | 1138 | Rural Fire | 27 | 34 | 7 | 45 |
| 5.3 | 1997 | Business Recovery | 0 | 1 | 1 | 1 |
| Activity area total | | | 62,163 | 66,069 | 3,906 | 86,624 |

Urban Development

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|--------------------------------------|---------------|---------------|--------------|---------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 6.1 | 1139 | District Plan | 3,054 | 2,013 | (1,041) | 2,730 |
| 6.1 | 1141 | Build Wellington Developments | 731 | 1,735 | 1,004 | 2,323 |
| 6.1 | 1142 | Public Art and Sculpture Maintenance | 224 | 280 | 56 | 390 |
| 6.1 | 1143 | Public Space-Centre Devl. Plan | 1,539 | 2,102 | 563 | 2,814 |
| 6.1 | 1145 | City Heritage Development | 472 | 1,243 | 771 | 1,661 |
| 6.1 | 1206 | Housing Investment Programme | 762 | 845 | 83 | 1,154 |
| 6.2 | 1146 | Building Control-Facilitation | 4,037 | 3,192 | (845) | 4,034 |
| 6.2 | 1147 | Weathertight Homes | 2 | 25 | 23 | 33 |
| 6.2 | 1148 | Development Control Facilitation | 4,024 | 2,898 | (1,126) | 3,816 |
| 6.2 | 1149 | Earthquake Assessment Study | 75 | 77 | 2 | 104 |
| 6.2 | 1151 | Earthquake Risk Building Proj. | 880 | 607 | (273) | 804 |
| Activity area total | | | 15,799 | 15,016 | (783) | 19,862 |

Transport

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|-------------------------------------|---------|---------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000's | \$000's | \$000's | \$000's |
| 7.1 | 1152 | Ngauranga to Airport Corridor | 304 | 1,692 | 1,388 | 2,265 |
| 7.1 | 1153 | Transport Planning and Policy | 374 | 1,065 | 691 | 1,431 |
| 7.1 | 1154 | Road Maintenance and Storm Clean Up | 1,071 | 941 | (131) | 1,318 |
| 7.1 | 1155 | Tawa Shared Driveways Maintenance | 23 | 32 | 9 | 48 |
| 7.1 | 1156 | Wall, Bridge and Tunnel Maintenance | 148 | 303 | 155 | 406 |
| 7.1 | 1157 | Drains & Walls Asset Stewardship | 4,595 | 4,862 | 267 | 6,454 |
| 7.1 | 1158 | Kerb & Channel Maintenance | 292 | 356 | 65 | 537 |

| | | | |
|---------------------|--------------------------------------|----------------------------------|------------|
| Performance summary | Section 1: activity area performance | Section 2: financial performance | Appendices |
|---------------------|--------------------------------------|----------------------------------|------------|

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|---|---------------|---------------|--------------|---------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000's | \$000's | \$000's | \$000's |
| 7.1 | 1159 | Vehicle Network Asset Stewardship | 17,471 | 18,505 | 1,034 | 24,527 |
| 7.1 | 1160 | Port and Ferry Access | - | 53 | 53 | 71 |
| 7.1 | 1161 | Cycleways Maintenance | 38 | 69 | 31 | 92 |
| 7.1 | 1162 | Cycleway Asset Stewardship | 63 | 1,808 | 1,745 | 2,410 |
| 7.1 | 1163 | Cycleways Planning | 189 | 2,061 | 1,873 | 2,749 |
| 7.1 | 1164 | Passenger Transport Facilities | 328 | 330 | 2 | 418 |
| 7.1 | 1165 | Bus Shelter Contract Income | (645) | (599) | 46 | (1,199) |
| 7.1 | 1166 | Passenger Transport Asset Stewardship | 577 | 759 | 182 | 1,012 |
| 7.1 | 1167 | Bus Priority Plan | 251 | 47 | (205) | 62 |
| 7.1 | 1168 | Cable Car | 9 | 9 | - | 12 |
| 7.1 | 1170 | Street Furniture Maintenance | 338 | 304 | (34) | 406 |
| 7.1 | 1171 | Footpaths Asset Stewardship | 4,533 | 4,993 | 461 | 6,599 |
| 7.1 | 1172 | Pedestrian Network Maintenance | 387 | 704 | 316 | 941 |
| 7.1 | 1173 | Pedestrian Network Structures Maintenance | 33 | 81 | 48 | 108 |
| 7.1 | 1174 | Traffic Signals Maintenance | 698 | 776 | 78 | 1,051 |
| 7.1 | 1175 | Traffic Control Asset Stewardship | 2,446 | 2,196 | (249) | 2,838 |
| 7.1 | 1176 | Road Marking Maintenance | 713 | 639 | (74) | 856 |
| 7.1 | 1177 | Traffic Signs Maintenance | 172 | 229 | 57 | 307 |
| 7.1 | 1178 | Network Activity Management | 644 | 768 | 124 | 1,041 |
| 7.1 | 1179 | Street Lighting Maintenance | 1,312 | 1,360 | 49 | 1,817 |
| 7.1 | 1180 | Transport Education & Promotion | 219 | 116 | (103) | 317 |
| 7.1 | 1181 | Fences & Guardrails Maintenance | 200 | 184 | (15) | 247 |
| 7.1 | 1182 | Safety Asset Stewardship | 2,542 | 2,208 | (333) | 2,942 |
| 7.2 | 1184 | Parking Services & Enforcement | (10,852) | (11,203) | (352) | (15,142) |
| 7.2 | 1185 | Waterfront Parking Services | (638) | (336) | 303 | (447) |
| Activity area total | | | 27,830 | 35,309 | 7,479 | 46,494 |

Council

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|---|----------|----------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 10.1 | 1186 | Waterfront Commercial Property Services | 1,155 | 823 | (332) | 1,109 |
| 10.1 | 1187 | Commercial Property Man & Serv | 2,613 | 3,269 | 656 | 4,361 |
| 10.1 | 1188 | Civic Centre Facilities Managt | - | - | - | - |
| 10.1 | 1190 | Information Services SLA | 0 | 7 | 7 | - |
| 10.1 | 1191 | NZTA Income on Capex Work | (20,226) | (18,379) | 1,846 | (24,506) |
| 10.1 | 1192 | Quarry operations | (260) | 119 | 379 | 160 |
| 10.1 | 1193 | Self Insurance Reserve | 534 | 208 | (326) | 282 |
| 10.1 | 1194 | Information Management | - | 1 | 1 | - |

| Performance summary | | Section 1: activity area performance | Section 2: financial performance | Appendices | | |
|--|----------|--------------------------------------|----------------------------------|---------------|--------------|----------------|
| Group | Activity | Activity Description | YTD | | | Full Year |
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 10.1 | 1196 | External Capital Funding | (1,192) | (375) | 817 | (975) |
| 10.1 | 1197 | Plimmer Bequest Project Expend | 0 | 0 | 0 | (700) |
| 10.1 | 1198 | Waterfront Utilities Management | 193 | 119 | (74) | 159 |
| 10.1 | 1200 | ORG | 0 | 271 | 271 | - |
| 10.1 | 1201 | ORGNA | (248,621) | (248,119) | 502 | (354,321) |
| 10.1 | 1203 | PPORGGroundLease | (6,797) | (6,876) | (80) | (9,167) |
| 10.1 | 1204 | Sustainable Parking Infrastructure | 100 | 117 | 17 | 156 |
| 10.1 | 1205 | Shared Services Procurement | (197) | 122 | 319 | 161 |
| 10.1 | 1999 | Earthquake | 18 | 0 | (18) | - |
| Activity area total | | | (272,678) | (268,692) | 3,986 | (383,279) |
| Net operating expenditure Grand Total | | | 13,058 | 22,180 | 9,445 | (5,040) |

Key: Actual, Budget and FY Budget () = net revenue, Variance () = deficit/ overspend

Performance summary

Section 1: activity area performance

Section 2: financial performance

Appendices

b) Capital Expenditure

Governance

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|-------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 1.1 | 2000 | Committee & Council Processes | 48 | 90 | 42 | 145 |
| Activity area total | | | 48 | 90 | 42 | 145 |

Environment

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|------------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 2.1 | 2001 | Property Purchases - Reserves | 2 | - | (2) | - |
| 2.1 | 2003 | Parks Infrastructure | 935 | 890 | (45) | 1,058 |
| 2.1 | 2004 | Parks Buildings | 293 | 285 | (8) | 513 |
| 2.1 | 2005 | Plimmer Bequest Project | 107 | 350 | 243 | 808 |
| 2.1 | 2006 | Botanic Garden | 538 | 515 | (23) | 962 |
| 2.1 | 2007 | Coastal - upgrades | 440 | 1,247 | 807 | 1,584 |
| 2.1 | 2008 | Coastal | 348 | 131 | (216) | 2,251 |
| 2.1 | 2009 | Town Belt & Reserves | 1,233 | 1,599 | 366 | 2,196 |
| 2.1 | 2010 | Walkways renewals | 586 | 554 | (32) | 641 |
| 2.2 | 2011 | Southern Landfill Improvement | 1,163 | 2,844 | 1,681 | 5,558 |
| 2.3 | 2013 | Water - Network renewals | 5,704 | 6,811 | 1,107 | 7,618 |
| 2.3 | 2014 | Water - Pump Station renewals | 191 | - | (191) | - |
| 2.3 | 2015 | Water - Water Meter upgrades | 37 | 41 | 4 | 46 |
| 2.3 | 2016 | Water - Network upgrades | 8,514 | 9,018 | 504 | 10,087 |
| 2.3 | 2018 | Water - Network renewals | 1,087 | 1,146 | 59 | 1,282 |
| 2.3 | 2019 | Water - Reservoir renewals | 11 | 338 | 326 | 378 |
| 2.3 | 2020 | Water - Reservoir upgrades | 1,583 | 5,527 | 3,944 | 7,505 |
| 2.4 | 2023 | Wastewater - Network renewals | 7,616 | 4,149 | (3,467) | 6,327 |
| 2.4 | 2024 | Wastewater - Network upgrades | 379 | 411 | 32 | 627 |
| 2.4 | 2026 | Wastewater - Pump Station renewals | 232 | 1,524 | 1,292 | 2,324 |
| 2.5 | 2028 | Stormwater - Network upgrades | 151 | 1,035 | 884 | 1,422 |
| 2.5 | 2029 | Stormwater - Network renewals | 2,728 | 4,302 | 1,575 | 5,911 |
| 2.6 | 2033 | Zoo renewals | 704 | 618 | (86) | 882 |
| 2.6 | 2034 | Zoo upgrades | 67 | - | (67) | 308 |
| 2.6 | 2135 | Zealandia | - | - | - | 769 |
| Activity area total | | | 34,649 | 43,335 | 8,687 | 61,054 |

Performance summary

Section 1: activity area
performanceSection 2: financial
performance

Appendices

Economic Development

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|----------------------------|--------------|--------------|--------------|--------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 3.1 | 2035 | Wellington Venues renewals | 1,741 | 3,028 | 1,287 | 4,139 |
| Activity area total | | | 1,741 | 3,028 | 1,287 | 4,139 |

Cultural Wellbeing

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|--|---------------|--------------|----------------|---------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 4.1 | 2040 | Cable Car Precinct | - | - | - | 43 |
| 4.1 | 2041 | Te ara o nga tupuna - Maori heritage trails | - | 76 | 76 | 133 |
| 4.1 | 2042 | Arts Installation | - | 69 | 69 | 92 |
| 4.1 | 2129 | Wellington Convention & Exhibition Centre (WCEC) | 14,897 | 9,689 | (5,208) | 16,911 |
| Activity area total | | | 14,897 | 9,834 | (5,063) | 17,178 |

Social and Recreation

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|---------------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 5.1 | 2043 | Aquatic Facility upgrades | 40 | 255 | 215 | 255 |
| 5.1 | 2044 | Aquatic Facility renewals | 1,524 | 1,708 | 184 | 1,827 |
| 5.1 | 2045 | Sportsfields upgrades | 336 | 382 | 47 | 440 |
| 5.1 | 2046 | Synthetic Turf Sportsfields renewals | 2,292 | 1,046 | (1,246) | 1,335 |
| 5.1 | 2047 | Synthetic Turf Sportsfields upgrades | - | - | - | 35 |
| 5.1 | 2048 | Recreation Centre Renewal | 388 | 334 | (54) | 334 |
| 5.1 | 2049 | ASB Sports Centre | 36 | 101 | 66 | 134 |
| 5.1 | 2050 | Basin Reserve | 7,920 | 5,545 | (2,376) | 7,441 |
| 5.1 | 2051 | Playgrounds renewals & upgrades | 772 | 1,271 | 499 | 2,193 |
| 5.1 | 2052 | Evans Bay Marina - Renewals | 72 | 20 | (51) | 65 |
| 5.1 | 2053 | Clyde Quay Marina - Upgrade | 97 | 74 | (23) | 77 |
| 5.2 | 2054 | Upgrade Library Materials | 1,527 | 1,945 | 419 | 2,514 |
| 5.2 | 2055 | Upgrade Computer Replacement | 71 | 78 | 7 | 100 |
| 5.2 | 2056 | Central Library upgrades | 2,957 | 5,257 | 2,301 | 5,262 |
| 5.2 | 2057 | Branch Library upgrades | 4,140 | 4,752 | 612 | 4,752 |
| 5.2 | 2058 | Branch Libraries renewals | 205 | 301 | 96 | 357 |
| 5.2 | 2059 | Housing upgrades | 156 | 431 | 275 | 1,813 |
| 5.2 | 2060 | Housing renewals | 1,728 | 2,054 | 327 | 3,451 |
| 5.2 | 2061 | Community Halls - upgrades & renewals | 124 | 1,635 | 1,511 | 3,803 |
| 5.3 | 2062 | Burial & Cremations | 92 | 201 | 109 | 449 |
| 5.3 | 2063 | Public Convenience and pavilions | 1,612 | 1,942 | 330 | 2,774 |
| 5.3 | 2064 | Safety Initiatives | (2) | 82 | 84 | 101 |

| | | | |
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| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|-------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 5.3 | 2065 | Emergency Management renewals | - | 158 | 158 | 210 |
| Activity area total | | | 26,087 | 29,574 | 3,487 | 39,723 |

Urban Development

| Group | Activity | Activity Description | YTD | | | Full Year |
|----------------------------|----------|------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 6.1 | 2067 | Wgtn Waterfront Development | 16 | 2,183 | 2,167 | 2,183 |
| 6.1 | 2068 | Waterfront Renewals | 990 | 1,130 | 140 | 2,302 |
| 6.1 | 2070 | Central City Framework | 650 | 1,685 | 1,036 | 4,469 |
| 6.1 | 2073 | Suburban Centres upgrades | 114 | 135 | 21 | 901 |
| 6.1 | 2074 | Minor CBD Enhancements | 23 | 141 | 118 | 188 |
| 6.1 | 2136 | Housing Investment Programme | 1,155 | 2,905 | 1,750 | 35,141 |
| 6.2 | 2076 | Earthquake Risk Mitigation | 16,225 | 23,524 | 7,299 | 3,295 |
| 6.2 | 2139 | BCC new vehicle | 160 | - | (160) | - |
| Activity area total | | | 19,333 | 31,704 | 12,370 | 48,480 |

Transport

| Group | Activity | Activity Description | YTD | | | Full Year |
|-------|----------|--------------------------------|--------|--------|----------|-----------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 7.1 | 2075 | Urban Regeneration Projects | 70 | 191 | 121 | 255 |
| 7.1 | 2077 | Wall, Bridge & Tunnel Renewals | 1,820 | 2,974 | 1,154 | 4,235 |
| 7.1 | 2078 | Road Surface Renewals | 1,207 | 1,304 | 97 | 1,363 |
| 7.1 | 2079 | Reseals | 1,939 | 1,907 | (32) | 2,301 |
| 7.1 | 2080 | Preseal Preparations | 3,103 | 2,948 | (155) | 3,381 |
| 7.1 | 2081 | Shape & Camber Correction | 3,360 | 3,450 | 89 | 3,866 |
| 7.1 | 2082 | Sumps Flood Mitigation | 78 | 118 | 40 | 176 |
| 7.1 | 2083 | Road Corridor New Walls | 1,092 | 1,455 | 363 | 2,043 |
| 7.1 | 2084 | Service Lane Improvements | 18 | 41 | 22 | 54 |
| 7.1 | 2085 | Tunnel & Bridge Improvements | 3,191 | 3,280 | 89 | 4,085 |
| 7.1 | 2086 | Kerb & Channel Renewals | 1,740 | 1,622 | (119) | 2,277 |
| 7.1 | 2087 | Vehicle Network New Roads | - | 24 | 24 | 60 |
| 7.1 | 2088 | Road Risk Mitigation | 1,226 | 3,710 | 2,484 | 5,696 |
| 7.1 | 2089 | Road Capacity Projects | 36 | 335 | 300 | 783 |
| 7.1 | 2090 | Area Wide Road Maintenance | 146 | 644 | 497 | 919 |
| 7.1 | 2094 | Cycling Improvements | 9,405 | 10,243 | 839 | 13,401 |
| 7.1 | 2095 | Bus Priority Planning | 160 | 669 | 508 | 941 |
| 7.1 | 2096 | Pedestrian Network Structures | 352 | 121 | (231) | 121 |
| 7.1 | 2097 | Pedestrian Network Renewals | 2,496 | 2,748 | 252 | 3,863 |
| 7.1 | 2098 | Walking Improvements | 110 | 332 | 221 | 454 |

| Performance summary | | Section 1: activity area performance | | Section 2: financial performance | | Appendices | |
|----------------------------|----------|--------------------------------------|---------------|----------------------------------|--------------|---------------|--|
| Group | Activity | Activity Description | YTD | | | Full Year | |
| | | | Actual | Budget | Variance | Budget | |
| | | | \$000s | \$000s | \$000s | \$000s | |
| 7.1 | 2099 | Street Furniture | 124 | 124 | - | 165 | |
| 7.1 | 2100 | Pedestrian Network Accessways | 216 | 181 | (35) | 259 | |
| 7.1 | 2101 | Traffic & Street Signs | 846 | 930 | 84 | 1,240 | |
| 7.1 | 2102 | Traffic Signals | 793 | 957 | 164 | 1,109 | |
| 7.1 | 2103 | Street Lights | 1,308 | 950 | (358) | 1,371 | |
| 7.1 | 2104 | Rural Road Improvements | 10 | 82 | 72 | 177 | |
| 7.1 | 2105 | Minor Works Projects | 1,500 | 927 | (573) | 1,242 | |
| 7.1 | 2106 | Fences & Guardrails | 517 | 508 | (9) | 677 | |
| 7.1 | 2107 | Safer Roads Projects | 839 | 1,039 | 200 | 1,385 | |
| 7.1 | 2134 | Lambton Quay Bus Interchange | - | 200 | 200 | 200 | |
| 7.2 | 2108 | Parking Asset renewals | 9 | 113 | 104 | 171 | |
| 7.2 | 2109 | Roadside Parking Improvements | 57 | 102 | 45 | 133 | |
| Activity area total | | | 37,770 | 44,227 | 6,457 | 58,401 | |

Council

| Group | Activity | Activity Description | YTD | | | Full Year |
|--|----------|--|----------------|----------------|---------------|----------------|
| | | | Actual | Budget | Variance | Budget |
| | | | \$000s | \$000s | \$000s | \$000s |
| 10.1 | 2111 | Capital Replacement Fund | 3,160 | 3,970 | 809 | 5,293 |
| 10.1 | 2112 | Information Management | 302 | 711 | 409 | 948 |
| 10.1 | 2114 | ICT Infrastructure | 4,907 | 1,064 | (3,843) | 1,418 |
| 10.1 | 2116 | Strategic Initiatives | - | 386 | 386 | 515 |
| 10.1 | 2117 | Unscheduled infrastructure renewals | 0 | 2,282 | 2,282 | 3,042 |
| 10.1 | 2118 | Health & Safety - Legislation Compliance | 89 | 471 | 382 | 628 |
| 10.1 | 2119 | Civic Property renewals | 160 | 2,918 | 2,758 | 3,891 |
| 10.1 | 2120 | Commercial Properties renewals | 59 | 650 | 591 | 980 |
| 10.1 | 2121 | Community & Childcare Facility renewals | 103 | 704 | 601 | 938 |
| 10.1 | 2125 | IT Response to Legislative Changes | (3) | - | 3 | - |
| 10.1 | 2126 | Business Unit Support | 309 | 612 | 303 | 815 |
| 10.1 | 2127 | Workplace | 4,326 | 839 | (3,487) | 1,119 |
| 10.1 | 2128 | Civic Campus Resilience and Improvements | 1,501 | 4,202 | 2,701 | 6,032 |
| 10.1 | 2131 | Smart Council | 1,625 | 2,070 | 445 | 2,760 |
| 10.1 | 2132 | Digital - Internet Intranet | 165 | 270 | 105 | 360 |
| 10.1 | 2133 | Quarry Renewals and Upgrades | 17 | 162 | 145 | 259 |
| 10.1 | 2138 | Permanent Forest Sink Fund Initiative - Carbon Credits | 428 | 865 | 437 | 1,153 |
| 10.1 | 2999 | Earthquake - Capex | 272 | - | (272) | - |
| Activity area total | | | 17,419 | 22,174 | 4,754 | 30,152 |
| Capital expenditure grand total | | | 151,947 | 183,967 | 32,021 | 259,272 |

Key: Actual, Budget and FY Budget () = net revenue, Variance () = deficit/ overspend

4. Committee Reports

REPORT OF THE FINANCE, AUDIT AND RISK SUBCOMMITTEE MEETING OF 20 MAY 2020

Members: Mayor Foster, Diane Calvert (Chair), Jenny Condie (Deputy Chair), Councillor Pannett, Councillor Paul, Councillor Rush, Roy Tiffin (External), Linda Rieper (External).

The Finance, Audit and Risk Subcommittee recommends:

HEALTH AND SAFETY REPORT

Recommendation/s

That the Strategy and Policy Committee:

1. Receive the information.

Website link to the Finance, Audit and Risk Subcommittee meeting agenda and minutes:
<https://wellington.govt.nz/your-council/meetings/committees/finance-audit-and-risk-subcommittee/2020/05/20>

Attachments

Attachment 1. Health and Safety report [↓](#)

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HEALTH & SAFETY REPORT

Purpose

1. This report asks the Finance, Audit and Risk Subcommittee to review the activities undertaken by the Council to control the Health, Safety and Wellbeing risks associated with the COVID-19 pandemic event.
2. The Report provides information that aligns with the Officer due diligence steps under the Health and Safety at Work Act 2015 (HSWA), specifically having:
 - Knowledge of work health and safety matters
 - An understanding of the nature of operations and the hazards and associated risks
 - Appropriate resources and processes to eliminate or minimise risk
 - Appropriate resources to receive and consider information
 - Verification of the provision and use of resources and processes
 - Processes for compliance with duties or obligations under HSWA.

Summary

3. This report comprises commentary on activities that have occurred in response to the COVID-19 pandemic event and is presented in two focus areas;
 - Risks
 - Control management and initiativesThe items listed under the focus area 'Control Management and Initiatives' includes good health and safety practice and assists the Council to meet our legal obligations under the Health & Safety at Work Act 2015 (HSWA).

Recommendation/s

That the Finance, Audit and Risk Subcommittee:

1. Receive the information.
2. Recommend to the Strategy and Policy Committee to receive the information at its meeting of 4 June 2020.

Risks

Specific Areas of Risk

4. The risk in relation to the COVID-19 emergency event is the potential transfer of a known communicable virus from one person to another, including death as a potential consequence. This risk is associated to one of the Council's Nasty Nine hazards, 'Health & Impairment'.

In assessing the risk, and as the COVID-19 pandemic event unfolded, a number of associated hazards were identified by the Council including:

- Transfer of the virus to or from workers in relation to social distancing rules and hygiene practice.
- Mental health and wellbeing relating to social distancing, lone worker, stress from working from home, balancing home life demands and relationship pressures.
- Muscular skeletal strain from not having adequate equipment while working from home e.g. station setup.
- Working extended hours to respond to COVID-19 pandemic event advice, while balancing continued business demand.
- Security breach of Council sites and assets.

Control Management and Initiatives

Transfer of the COVID-19 Virus

5. Leading up to the Alert Level 4, the Council's People and Culture (previously Human Resources) Group undertook an identification process of vulnerable workers and dependents who were deemed to have any of the pre-existing conditions that meant they were at risk to Covid-19. A total of 208 staff are identified as being at risk, and a further 131 staff identified as having a dependent at home who is at risk. This identification process was in order to ensure that their health was managed as a priority in terms of the risk of exposure to the virus. At the same time, provisions were made for additional site cleaning and sanitising in order to reduce the risk of virus transfer.

When the country moved to Alert Level 4, the Council's Health & Safety Team made contact with all Business Unit Managers who continued to operate essential workers to review their health & safety plans to identify any gaps, and to maintain regular weekly catch ups to manage any change in the environment for the Council's essential workers.

The following provisions and resources were also developed to support leaders to manage the health and safety of their workers:

- Increased hygiene provisions to sites and in vehicles.
- A fact sheet, based on Ministry of Health guidelines and information provided to leaders to use in equipping staff to manage the risk of transfer of the virus.
- A compulsory re-induction presentation for staff required to return to work under Alert Level 4 and Levels 3 and 2.
- A new module developed in the Council's incident reporting tool to log details of staff that have contracted the COVID-19 virus.
- Sites locked down to support the rules imposed by MOH at Alert Level 4.

The Health & Safety team continue to provide advice and support through the planning undertaken by leaders to return their workers to sites safely.

Mental Health and Wellbeing

6. Following the establishment of the Council's Pandemic Response Team (PRT), a Staff Welfare Response work stream team was formed and led by Jonny McKenzie, Organisational Development Manager. This team comprised of members from the Organisational Development team and senior Health, Safety and Wellbeing Advisors. A key focus area for this team has been to support staff wellbeing through continued communications directly to managers and staff including regular manager's briefings; updates on our staff intranet (Pokapū); updates in our regular all staff Council newsletter (Kōrero Tahī); as well as regular wellbeing messaging from the Chief Executive. Some of the ways in which the Council supported mental health & wellbeing have included:

- Continued messaging of our Council EAP service (virtual face-to-face or phone) as well as details of readily available nationwide resources for support such as texting or ringing 1737, a free counselling hotline.
- The release of a daily wellbeing check in tool using a coded coloured heart system for staff to check in with their manager, a peer, a friend or whanau about how they are feeling. The hearts range from "doing great" through to "feeling unsafe, please help" which is specific to any domestic violence concerns and immediate safety risks. Guidelines were developed for managers to deal with any reported incidents of domestic violence.
- The design and release of a circle of influence and control activity for managers and team leaders to use virtually with their teams. The aim of this tool is to help individuals identify what they were able to control and express ways they could let go of what they could not influence. The method is designed to bolster team collaboration and support as well as being a safe space for staff to raise things that are concerning them and get relevant support/perspective.
- As a result of those staff struggling to work from home with small children and no or inadequate childcare provisions, the Council provided guidelines to enable conversations between staff and managers to consider ways of flexible working, and if required, to reduce hours and provide discretionary leave, as a last resort.

Towards the end of the second week, pulse check surveys were sent to all staff to gauge how people were coping with lockdown and managing with working remotely, if they were able to. The survey focus was on four key areas: manager/employee contact; communications; wellbeing; and, returning to work. There was strong engagement with a total of 1053 staff (80%) responding. There was a 63% uptake for the first all-staff survey. As a result of feedback received in this survey, the Council undertook a separate Operations/Customer Facing survey for those staff who were unable to work

from home and who reported that the first survey did not cater to them. The second survey focused more on wellbeing and support for those staff not working to better identify how we could better engage them and support their wellbeing. This survey resulted in a 39% (305 staff) response; the lower result is likely due to staff previously reporting in the first survey or potentially due to an inability to access the survey remotely. Overall, the results showed that most staff agreed that leaders and teams were supporting wellbeing and team connectedness during lock-down and while working remotely. The survey also showed that staff were using the wellbeing resources created for maintaining good levels of wellbeing.

In addition, a range of resources were either created or sourced against the four areas of wellbeing: mental, physical, emotional and spiritual wellbeing. The Council's Wellbeing Group was one way that ideas were sourced around what would benefit staff and the resulting initiatives included: webinars, mental health apps, fact sheets and guidance around balancing working and childcare, micro-pauses and stretching guidelines, work out routines (videos and paper based) and, a mindful meditation online course to support resilience was procured and run for staff.

Muscular Skeletal

7. In relation to working from home, the Council provided all workers with information directed at maintaining safe work habits which included regular exercise and breaks, posture and work station set up in order to support good muscular skeletal health.

An outcome of the pulse check survey undertaken in week two identified that a number of staff requested specific IT equipment and chairs which supports working from home safely. As a result of this feedback, a further 130 office chairs and various IT equipment has since been delivered to staff.

During the COVID-19 lockdown period, there have been three muscle strain incidents registered in the Council's incident reporting tool with two relating to work posture. The Health & Safety team have provided support to these workers by way of our physiotherapy early intervention provider making remote contact and talking through ways of improving their unique situation.

Working Extended Hours

8. During the COVID-19 pandemic response, a number of staff have been required to undertake extended periods of intense work to support the Council's response to external and internal demands for information and business continuity of essential services. Managers have been responsible for monitoring and checking in with their workers in relation to work / life balance as part of the Council's wellbeing check in. The initial response period has tailored off for some; however, this is a continued area of concern and under constant review by individual managers as the Council move down through the Alert Levels. Prolonged extended periods of high workloads, without sufficient breaks, can lead to stress related illnesses, errors being made, and is converse to our obligations under the Health and Safety at Work Act, 2015. This will continue to be monitored and managed to ensure compliance.

Security Breach

9. During the COVID-19 pandemic response, the Council's security team attended to five incidents where Council and CCO sites had been tampered with, and with one particular sports venue experiencing multiple break-ins. As soon as these incidents were identified, additional on-the-ground guarding and monitoring was provided. In addition, the Council security function ground staff and camera base were used to identify hotspots for the Police where groups of people had congregated, specifically along the waterfront. The issues relating to the waterfront were addressed by Police accordingly.

Legislative Due Diligence Requirement

- Acquire and keep up to date with knowledge of work health and safety matters
- Understand nature of operations and hazards and associated risks
- Appropriate resources and processes to eliminate or minimise risks
- Appropriate resources to receive and consider information
- Verify provision and use of resources and processes
- Have processes for compliance with duty or obligation under the HSWA Act 2015

Attachments

Nil

| | |
|------------|--|
| Author | Paku Edwards, Safety, Security and Wellbeing Manager |
| Authoriser | Meredith Blackler, Director, Human Resources |

SUPPORTING INFORMATION

Engagement and Consultation

N/A

Treaty of Waitangi considerations

N/A

Financial implications

N/A

Policy and legislative implications

This information to ELT and Councillors assists them to discharge their Officer due diligence obligations under the health and Safety at Work Act 2015.

Risks / legal

N/A

Climate Change impact and considerations

N/A

Communications Plan

N/A

Health and Safety Impact considered

N/A