
Wellington City Council 2015/16 Annual Report



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Mayor's welcome



This is my final Annual Report as Mayor of Wellington and it has been a privilege to lead the Council for the past 6 years and to have served as a councillor before that. Democratic leadership, skilled staff, positive external relationships and committed volunteers form a powerful model for a modern progressive city. Our strategic vision is straightforward; to grow and promote Wellington as an inclusive, diverse, smart capital where talent wants to live, set in a flourishing natural environment. In the past financial year, Wellington City Council has helped deliver on this vision and I'm proud of the Wellington City Council team who work hard, day in and day out, to achieve that.

The Wellington Regional Economic Development Agency (WREDA), now in its second year, has started to contribute strongly to the region's economic wellbeing. Economic growth will blossom from seeds planted this year through the airport runway extension, the new Singapore Airlines route linking Wellington, Canberra and Singapore plus our agreement to build a marvellous movie museum and convention centre. The Collider tech hub and 18 million CBD free Wi-fi logons maximise virtual connections.

Wellington continues to be New Zealand's arts, culture and events capital. Last July, we celebrated 150 years of Wellington being the capital in style with our Open House weekend and a fabulous concert and light show in the grounds of Parliament. We reflected on World War 1 through our continuing WW100 commemorations. The amazing New Zealand Festival and Royal Edinburgh Military Tattoo together attracted over 100,000 visitors and generated \$60 million of new spending from outside the region. We worked with New Zealand Rugby to make sure the Sevens Rugby Tournament stayed in Wellington. Summer City, Diwali, the Korean Festival, Wellington Pasifika Festival and Matariki are some of my favourite events and the second CubaDupa highlighted our upgraded laneways.

Our international connections were further strengthened during the year with the inaugural New Zealand-China Mayoral Forum in our sister city Xiamen where we showcased Wellington to major trading and education partners. We opened a New Zealand section in the prominent Seashine Supermarket chain in the Fujian Province and created more opportunities to export food, beverages, education and culture. We've supported a number of film co-production projects.

I am personally very proud of securing Wellington's membership in the 100 Resilient Cities programme. With that additional focus we, and our partners, have continued to make Wellington's resilience to acute shocks and chronic stresses a high priority. We have appointed a Chief Resilience Officer. We were the first council to assess all pre-1976 commercial and apartment buildings for earthquake risk and we have substantially increased the heritage grants to help owners. Wellington Water Ltd has built new reservoirs and strengthened existing ones. The Island Bay Seawall was reconstructed, but climate change has many more challenges ahead.

We became a partner in the international Biophilic Cities network in 2013. A biophilic city has abundant nature close to where people live. During this year, the Town Belt legislation was enacted and we laid increased commitment to biodiversity and predator control. We also have more walking and cycling tracks to help people enjoy nature and we've secured government partnerships for an urban cycle network.

With our partners the Energy Efficiency and Conservation Authority, Microsoft and the Energy Management Association, we launched the Smart Buildings Challenge to assist commercial building owners manage and reduce their energy use.

The provision of quality and affordable housing is a key priority for the city. People are enjoying warmer and drier homes as a result of our work with the Crown to upgrade social housing. Most recently we've commenced work on the Arlington social housing complex, a huge undertaking that will transform around 12 % of our social housing stock. We've also brought together a strategic leadership group, including central government agencies, committed to end street homelessness. Special Housing Areas have catalysed housing projects including Erskine, Shelly Bay and several Housing NZ redevelopments. We extended the living wage to Wellington City Council staff and Council Controlled Organisations.

Importantly, our finances are in a strong position with Standard & Poor's AA rating which enables Council to invest for growth and wellbeing.

Thanks to all the staff, Councillors, contractors, artists, entrepreneurs, volunteers, educators, government agencies and other partners who make Wellington "the coolest little city in the world!"¹



CELIA WADE-BROWN
Mayor of Wellington

1 Vogue, September, 2015

Chief Executive's welcome



2015/16 was the first year of our Long-term plan 2015-25 (LTP). I am pleased to say it has been a successful year and the Council has taken significant steps towards the achievement of our outcomes.

When Council agreed to the Long-term plan 2015-25, we knew it was ambitious. It's a \$5 billion 10-year budget that makes no cuts or service-level reductions while also setting out a bold plan of action that includes around \$800m of transformative investment over the 10 years. When we consulted on the plan, nearly 70 % of Wellingtonians told us they supported modest average annual rate increases of 3.9 % over the 10 years to deliver the additional outcomes proposed.

As Wellingtonians, you want us to continue to invest in making Wellington an even more liveable, vibrant and attractive city. You have tasked us with making our assets work more effectively, you've told us you want our infrastructure to be even better and you've told us you want us to help create a growing economy.

This Annual Report sets out clearly and transparently how we did last year. It shows that we lived within our means while at the same time improving the quality and performance of the more than 400 core services we deliver every day.

We have worked hard to make the report readable and accessible for you as stakeholders. The first chapter shows you how we are working towards reaching our goals by showing you where we have been, where we are and where we plan to be, including making the organisation even more fit for purpose.

We have improved our Annual Report by linking our Statements of Service Performance to our outcomes in the City Vision - Smart City 2040; a dynamic central city, an eco-city, a people-centred city and a connected city. Linking what we do on a daily basis to the outcomes we want to achieve for Wellington demonstrates why, and how well, we do what we do.

We have made our Financial Statements clearer and easier to understand by placing our primary financial statements and their relevant supporting information together.

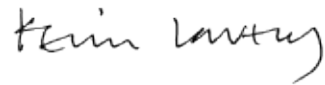
These improvements reflect our desire to better understand our performance, have the hard conversations - internally and with others - about our priorities and take the decisions necessary to achieve our vision.

Our Annual Report clearly highlights our successes; our core service delivery including water, infrastructure services, kerbside recycling and social housing continue to be sector-leading. We saw economic benefits from strong visitor numbers, hosted 11 major local and international events, our Zoo and Zealandia continue to record strong visitor numbers and we made significant progress on our movie museum and convention centre proposal. Progress continues to be made on the development of a proposal to extend the airport runway. We completed the revitalisation of Victoria Street and transformed laneways throughout the city.

But we cannot rest on our laurels, and we know we can always do better. Our Annual Report is a balanced-scorecard. The implementation of cycling infrastructure has been a challenge and lessons are being learnt. We are taking steps to address the areas where your feedback says we are not doing well enough. We are working hard to modernise our ICT infrastructure so we can be more agile and responsive than ever before.

Finally, our financial position remains strong. The Council retains its AA credit rating and, for the first time, Standard & Poors has formally acknowledged that Council's credit rating would be AA+. The AA+ rating cannot be awarded as the Council's credit rating cannot be greater than the Crown's, this is indeed high praise.

I encourage you to engage with us as we implement our work programme in the Annual Plan 2016/17. Together we can transform Wellington into a great city - a place where people from all walks of life will want to come and work, play and live.

A handwritten signature in black ink that reads "Kevin Lavery". The signature is written in a cursive, flowing style.

KEVIN LAVERY
Chief Executive

The place of the possible



About our Annual Report

Every year all local authorities are required to present to their community an Annual Report that includes a set of audited financial statements. Our Annual Report sets out what we did last year, why we did these things (the outcomes we hoped to achieve), how much they cost and how much we achieved. Our Annual Report is adopted by Council on the recommendation of Council staff and our Audit and Risk Committee.

Our Annual Report was audited by Audit New Zealand, and their independent Auditors Report can be found at the end of the document. The Annual Report is available in paper form through our Council Office, our Libraries and Service Centre, or electronically from our website. See the Council Website here: <http://wellington.govt.nz/>

Who we are

While we are a body established under the Local Government Act 2002 to carry out specific legislative functions, our overall objective is working to make sure Wellington is a great place to live, work, play and visit.

We work to achieve this through the collective effort of our 15 elected representative - the Mayor and 14 Councilors, our staff, and our partners, all working together for our residents, rate-payers, and citizens.

It's our Councilor's job to make bylaws, set the city's overall strategic direction, and approve budgets, policies and plans aimed at achieving that direction. Part of their role is to listen to and take the pulse of our community before making decisions.

Our elected representatives are supported by our Chief Executive, Kevin Lavery, and more than 1500 staff who provide advice, implement Council decisions, and look after the city's day-to-day operations.

We have 77,271 ratepayers and 205,199 residents who are our customers, and contribute to the funding of our activities through property rates. We also provide many services and income from those services also provides critical funding for many of our activities.

OUR CORE SERVICES AND VALUE ADDING ACTIVITIES

We carry out a combination of core services and value adding activities. Our core infrastructure and regulatory services and functions include:

- Water, wastewater, stormwater and transport network infrastructure
- Waste collection and reduction
- Urban planning and building regulation
- Public health and safety.

We also provide our residents and ratepayers with a number of important services such as libraries, museums, nature reserves, and other recreational facilities and community amenities.

Our value adding activities are things we do in addition to delivering the basics well. These often include initiatives that we undertake with our partners. Their purpose is to strengthen the diversity and resilience of Wellington's economy and enhance Wellingtonians quality of life.

Our performance story

Our performance story explains the relationships between what we do, why we do it, and how we do it.



The “why” is simply our strategic framework - our vision and outcomes. Our vision is simple - grow and sustain Wellington City as ‘an inclusive place where talent wants to live’. Our four outcomes that will create long term positive change for our community are:

- Connected-city
- People-centred city
- Eco-city
- Dynamic-city

We carry out a number of activities to achieve these outcomes in the context of our strengths and challenges.

OUR STRENGTHS

WELLINGTON		AVAILABLE COMPARISONS ²
89%	% who rate their quality of life as good or very good (2014 Quality of Life Survey)	80% Auckland, 80% Christchurch
38%	% of population over 15 with a university qualification (2013 Census, Statistics NZ)	19% Nationally
\$67,940	Average annual income (\$) (2013 Census, Statistics NZ)	\$54,230 Nationally
4	No of businesses per 100,000 population among NZ's fastest growing 50 (Deloitte Fast 50)	1.8 Auckland and upper NI
57.5%	% of GDP contributed by smart or creative industries	31.3% Nationally
34%	10-year increase in international visitor arrivals	23% Nationally
86%	% who agree that Wellington's city centre is lively and attractive (Residents' Monitoring Survey 2015)	
6.1t CO ₂	Carbon emissions per capita (2012/2013) (Wellington City and Region Community Scale Greenhouse Gas Inventory 2000/01 - 2014/15)	7.3t CO ₂ Auckland

2 Data limitations prevent consistent comparisons.

OUR CHALLENGES

WELLINGTON		AVAILABLE COMPARISON
2.1%	Average annual % GDP growth (last 10 years) (<i>Infometrics</i>)	2.3% Auckland
1.4%	Average annual employment growth (last 10 years) (<i>Infometrics</i>)	1.5% Auckland
1.2%	Average annual business growth (last 10 years) (<i>Infometrics</i>)	1.7% Auckland
1.0%	Average annual population growth (last 5 years) (<i>Infometrics</i>) ³	1.8% Auckland
669	Number of buildings identified as earthquake prone	

These activities are the “what” of our business and are outlined in our Long-term plan 2015-25 and include the following:

Governance - delivering trust and confidence in decision-making
Environment - protecting and enhancing Wellington’s environment
Economic Development - promoting the city’s competitive advantages in order to enhance quality of life
Cultural Wellbeing - reflecting and shaping Wellington’s unique cultural identity
Urban Development - preserving Wellington as a compact, vibrant and attractive city, now and into the future
Social and Recreation - sustaining safe, resilient and healthy communities
Transport - delivering an efficient and safe transport system that connects people and places

They include both our core services and functions and our value-add initiatives.

We carry out these activities in the context of the objectives in our Long-term plan:

- “Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment
- Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient
- Increasing the use of existing assets rather than spending on new infrastructure
- Improving asset management practices to better manage risk and the timing of asset replacement
- Achieving ongoing efficiencies from shared services and improved customer experiences

The way we work as an organisation to achieve our activities is the “how”, and includes our people, stakeholders and customers, our systems and processes, our money and our assets.

We measure our performance against the ‘what’ activity areas using the measures included in our Long-term plan 2015-25. These are outlined in the chapter - ‘Measuring our Performance’

³ <http://ecoprofile.infometrics.co.nz/Wellington%2bCity>

Our highlights - 2015/16

OUR KEY ACHIEVEMENTS AND CHALLENGES

We largely completed what we set out to do in our Long-term plan 2015-25. Some key highlights and challenges include:

Governance

Democracy and governance: Our new DigiHub provides timely access to all Council electronic information such as old house drawings or site plans. Our main challenges in 2016/17 are to better engage with our community so they feel more involved in decision-making and improve access to our information.

Implementation of our Customer Strategy during 2016/17 will help with this as will continued dialogue with the community. We will put into practice the lessons we learnt when engaging with the community on the Wellington City Urban Cycleways Programme (WCUCP) Island Bay cycleway. We will also build on the positive feedback we received on our social housing engagement for which we won International and Australasian awards.

Environment

Gardens, beaches and green open spaces: We invested to maintain and improve existing assets by improving our network of walking tracks and mountain bike facilities. We ran a successful Parks Week, and at the Botanic Garden a successful Summer City and Spring festival. Visitor numbers at the Zoo and Zealandia increased, particularly education visits to Zealandia.

Our challenge in 2016/17 is to continue working with our new partners to make sure we get back on track to plant two million trees by 2020.

Waste: We commercialised our successful start-up Kai to Compost Food Waste Collection Service. This means we can better meet the increasing demand for food waste diversion, and extended collection boundaries to Porirua, Upper Hutt, and beyond. We continued to work with other councils in the region on the Love Food Hate Waste Prevention programme that aims to educate households about how to reduce food waste, save money, and have fun at the same time.

Our key challenge in 2016/17 is to better understand why we aren't meeting our target for residents satisfied with the quality of street cleaning as there has been no increase in complaint numbers.

Energy conservation: We launched the 'Wellington 2050 Energy Calculator' which allows our residents to explore how their energy and transport use shapes our carbon footprint. We also insulated 167 homes through our initiative 'Warm Up Wellington'. Our Low Carbon Challenge brought together innovators to develop initiatives to reduce emissions. Six teams were selected to enter the incubator programme, of which three qualify for match funding with us. We also produced a Low Carbon Capital Plan 2016-2018 - a plan we will implement over the next 3 years.

Water, wastewater and stormwater: Through a Council Controlled Organisation (CCO) - Wellington Water Ltd - we continued to maintain and improve existing water, wastewater and stormwater facilities over the year. We continue to fully comply with New Zealand drinking water standards and maintain the water supply quality gradings from the Ministry of Health. Customer satisfaction with our water supply and wastewater services has increased and our stormwater activities resulted in an increase in the number of days monitored beaches are suitable for recreational use.

Our main challenges in 2016/17 are to better understand residents' declining satisfaction with our stormwater services and dry weather wastewater overflows.

Economic

Economic development: To support our growth agenda, we agreed to support a movie museum and convention centre, purchasing the land needed on Cable Street. We also supported a number of events that foster economic growth including the New Zealand Festival (395 performances and seven world premieres), Beervana, Wellington on a Plate, the World of Wearable Art Show, Elton John, Royal Edinburgh Military Tattoo, the Super Rugby final, All Blacks vs Wales and Australia, and the ICC Cricket World Cup. We also supported arts and cultural activities including commemorating the 100-year anniversary of WW1 during Anzac Week, and supported Te Papa during its most successful year with 1,784, 939 visitors attending. Visitor numbers were strong over the year and commercial guest nights reached a combined total of 2,286,095. Also over the year, logins into our CBD free Wi-fi increased by 161%. Over the year the Basin Reserve Trust significantly exceeded its targets for sport and community events held at the Basin Reserve.

International relations: We attended the New Zealand-China Mayoral Forum Forum hosted by our Chinese sister city Xiamen, which focussed on trade and investment opportunities. To support our growth agenda the Mayor opened the NZ section of the Seashine Supermarket in Xiamen. On ANZAC day we signed a Memorandum of Understanding with the Turkish city of Çanakkle - where Gallipoli is located.

Cultural wellbeing

Museums, galleries and visitor attractions: In addition to the successful high profile events such as the 100th anniversary of WW1 noted above, we supported a number of more local events such as Summer City Programme, Capital Christmas and the Sky Show. The Wellington Museums Trust also exceeded its visitor target for the year.

Social and recreation

Community facilities and services: We invested in and maintained existing services by upgrading the Wellington Regional Aquatic Centre, and worked with sports clubs and schools to form community sports hubs at Kilbirnie Park, Alex Moore Park, and Hataitai Ballpark. Our Pools Partnership Fund enabled Wellington East Girls' College, Rewa Rewa School, Berhampore and Kilbirnie Schools to improve their pool facilities. Visits to our recreation centres including the ASB Sports Centre increased from last year. User satisfaction with our library services and facilities has improved since last year. Website visits along with e-library user satisfaction also increased over the year. We continued to support people isolated in our communities including new refugees and extended our successful Local Hosts initiative.

OUR KEY CHALLENGES IN 2016/17 ARE:

- Usage of our sports and community centres and halls as weekly bookings are often not possible because of variable demand for space over the year
- Usage of artificial sports fields - peak and off-peak which is driven by demand from schools, and dependent on the weather and school budgets
- User satisfaction with grass sportsfields - peak - as the quality of spaces is often affected by the weather and compares unfavourably to the quality of artificial grass

In light of our LTP objective to maximise usage of existing assets (rather than spending money on new infrastructure) in 2016/17 we will work to better understand these demand drivers and whether we need to change the way we provide community facilities and services.

City housing: We continued to provide affordable city housing (for around 4000 people) and started construction at the Kotuku and Arlington apartments. Our tenants are satisfied with our housing services and facilities and the condition of their houses. We won the

regional and national New Zealand Institute of Architects Award for Marshall Court in Miramar. The Marshall Court flats also won the Winstone Wallboards Residential award at the New Zealand Commercial Project Awards.

Urban

City planning and development: Consistent with our objective to invest to maintain and improve, we revitalised a number of public spaces, including a series of public lanes that make the city a livelier place to be. The value of commercial building consents has also increased over the last 3 years.

Resilience: We were selected to join the Rockefeller Foundation 100 Resilient Cities (100RC) programme, from around the world and are developing a Resilience Strategy focussing on earthquake recovery, adapting to sea level rise, quality of life and economic prosperity.

Regulatory services: The majority of our customers are happy with our building control services. This reflects the effort we put into our customers to help them through their building consent and associated processes.

Our key challenges in 2016/17 are to improve the timeliness of issuing building consents, codes of compliance and Land Information Memorandums (LIMs). A combination of training provided to new building staff and improved internal monitoring systems will help with these timeliness issues in 2016/17. We also need to focus on our local suburban centres as our residents don't consider them lively and attractive. Our work on Business Improvement Districts is one way of improving suburban centres. The type of traffic work recently carried out in Johnsonville is another way of addressing the liveliness of other suburban areas.

Transport

Roads: We exceeded our target for the percentage of roads that meet compulsory smooth road standards. The increase in residents and visitors in the city has resulted in more passengers using the iconic Wellington Cable Car.

Our key challenge for 2016/17 is the Island Bay component of the WCUCP. The method and level of community engagement on the cycleway resulted in significant unease that impacted on other projects in the WCUCP, and confidence in Council's ability to deliver the WCUCP. A review of the WCUCP commissioned by New Zealand Transport Authority (NZTA) made a series of recommendations for change. In 2016/17 working with NZTA we are refreshing the cycle way programme and our engagement process with the community.

Other challenges for 2016/17 were:

- Resident satisfaction with the condition of our roads and footpaths and suburban street lighting
- Percentage of the sealed road network that is resurfaced

Resident dissatisfaction with suburban street lighting is largely a result of power cuts - an issue beyond our control. As failures occur we are upgrading our lights with more reliable LEDs. Resident dissatisfaction with the condition of our roads and footpaths, and the decline in the percentage of local roads being re-surfaced are a result of contractual issues. In 2016/17 we will make sure any shortfalls are resolved.

FINANCES MADE SIMPLE

This section outlines what our financial results mean to you. For greater detail on our financial performance and position, see the Financial Statements on page 138.

As part of the Long-term plan 2015-25, we committed to the following approach:

- Do the basics well
- Have sound finances
- An external focus on growing the local economy and rate payer base

The following pages explain how well we've performed in relation to this overall approach.

Doing the basics well

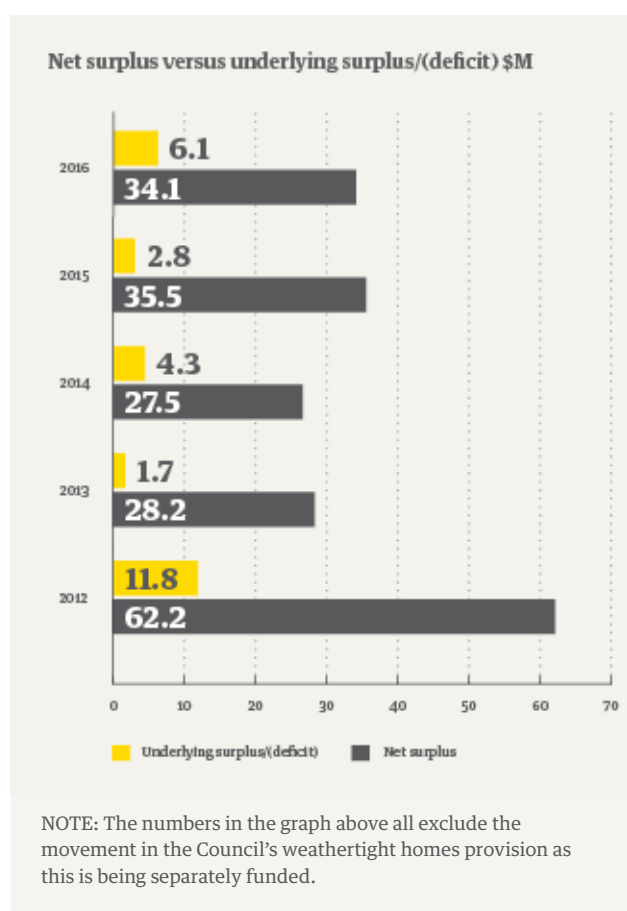
The Council is doing the financial basics well. We have achieved our goal of a small underlying surplus of \$6.1 million, 1.3% of operating expenditure for the financial year. We are successful if the underlying surplus or deficit is close to breakeven (zero), as our aim is to have operating revenue equal to operating expenditure.

The balanced budget requirement (as per the Local Government Act) is closely linked to the principle of intergenerational equity, the notion that each generation of ratepayers pays their fair share for the goods and services they use.

In order to calculate the underlying surplus, we exclude certain accounting transactions such as vested assets, fair value movements and other items which are recognised as revenue but are really capital or non-cash in nature. We exclude these because they do not impact on the amount of the rates we collect.

	ACTUAL 2016 \$M	BUDGET 2016 \$M	VARIANCE \$M
Reported net surplus	34.1	23.1	11.0
Add back Non-cash funded items ⁴	1.7	11.2	(9.5)
Less revenue for capital items ⁵	(28.3)	(38.0)	9.7
Other adjustments	(1.4)	3.7	(5.1)
Underlying surplus	6.1	0	6.1

For 4 of the last 5 years we have been consistent in achieving our goal of coming close to breakeven. For instance, in 2016 operating expenditure was \$453.0 million for the year and the underlying surplus was 1.3% of that total.



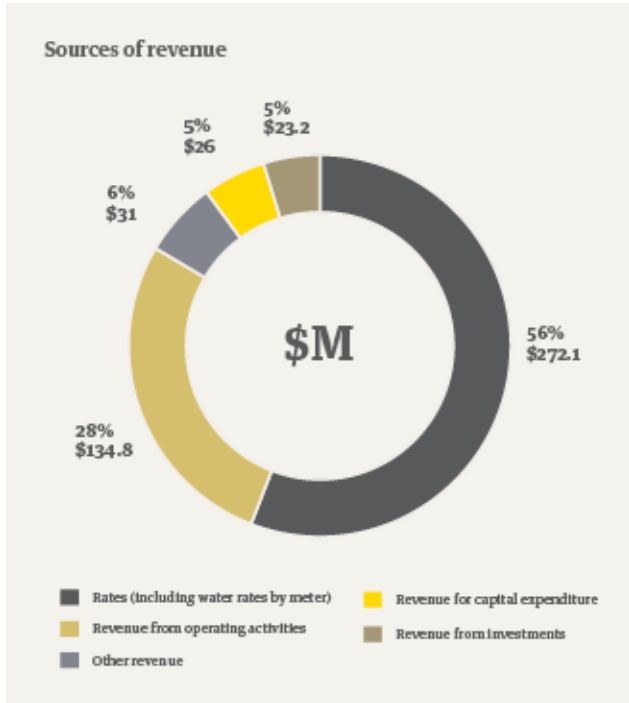
During this time, we have delivered a wide range of services, from resurfacing roads and managing the water network to providing parks, pools, sportfields and libraries at a cost of \$6.05⁶ per day per resident.

4 Items such as vested assets (assets where the ownership of the asset have been transferred to the Council) or fair-value movements (changes in market value for assets that are revalued - primarily annual Investment Property revaluations) are transactions that are non-cash in nature but are required to be recognised as part of the net surplus.

5 Revenue for capital items refers to subsidies we receive for the construction of capital items such as roads and social housing assets but are required to be recognised as part of the net surplus.

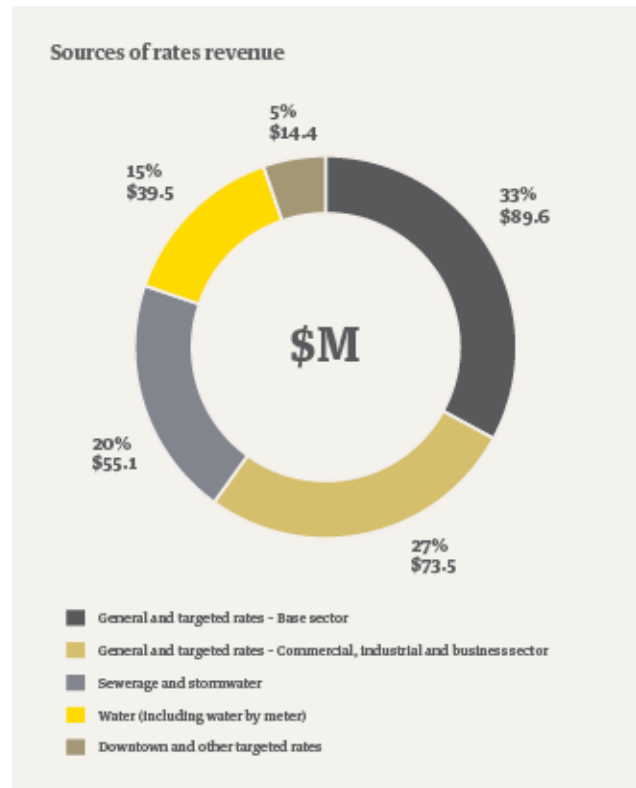
6 Based on the total rates revenue divided by total number of residents.

During the year we received total revenue of \$487.1 million (2015: \$469.9m) compared to a budget of \$462.2 million. The difference is largely due to unbudgeted vested assets (which, while not cash in nature, are required to be shown as revenue) and higher than expected revenue from Wellington Venues and our share in joint ventures with Porirua City Council.



Rates are our main source of funding, with revenue from operating activities (including user fees) the next largest source. Some of our other sources include revenue from capital expenditure, revenue from interest, and dividends.

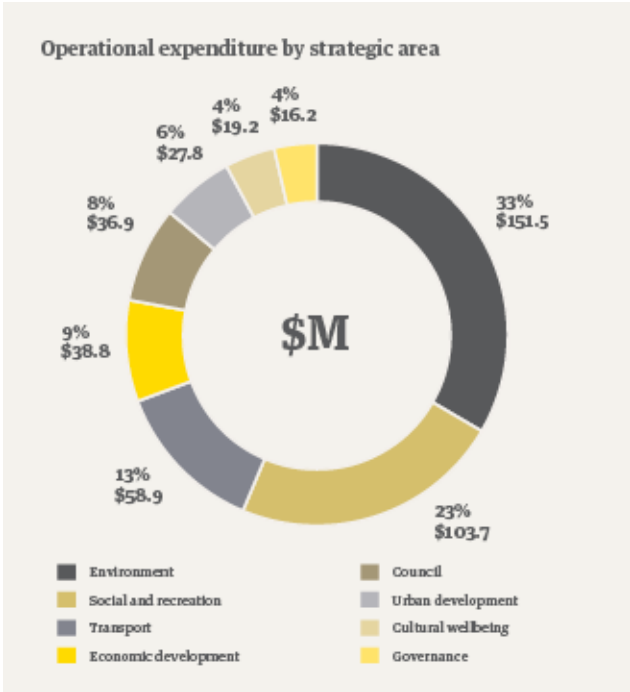
In 2016 we received \$272.1 million (2015: \$253.6m) of revenue from rates.⁷ Rates revenue includes general rates levied on properties and a range of targeted rates including water, stormwater and sewerage rates, along with sector and area-based rates. The average increase in rates was 3.9%, as outlined in the LTP.



As part of doing the basics well, we need to ensure we collect the revenue we have charged. We have achieved this, and only have a small proportion of current rates revenue, 1.8%, still to be collected. This compares favourably with previous years, where the 3-year average and 5-year average is 2.1% of rates revenue.

⁷ Annual Report, Notes to the financial statements, Note 1: Rates Revenue, page 147.

Our total expenses for the year were \$453.0 million (2015: \$434.3m), which represents the cost of running the city during the year. Our activities and their related expenditure are divided into the strategic areas of focus, as shown in the graph below:



The table below shows the cost for each of the strategic areas per resident per day.

STRATEGIC AREA	TOTAL COST \$M	COST PER RESIDENT PER YEAR \$	COST PER RESIDENT PER DAY \$
Governance	16.2	79	0.22
Environment	151.5	738	2.02
Economic development	38.8	189	0.52
Cultural wellbeing	19.2	94	0.26
Social and recreation	103.7	505	1.38
Urban development	27.8	136	0.37
Transport	58.9	287	0.79
Council	36.9	180	0.49
Total	453.0	2,208	6.05

To find out more about these strategic areas, see Statements of Service Provision.

As discussed above, there is a difference between the reported net surplus and the “Underlying Surplus” due to the exclusion of non-funded and capital-related transactions and what is required to be reported under Financial Reporting Standards. On this basis, we have achieved a \$34.1 million net surplus (2015: \$35.5m) compared to a budgeted \$23.1 million - a favourable difference of \$11.0 million. The major variances from budget are discussed following the Statement of Comprehensive Revenue and Expense on page 146.

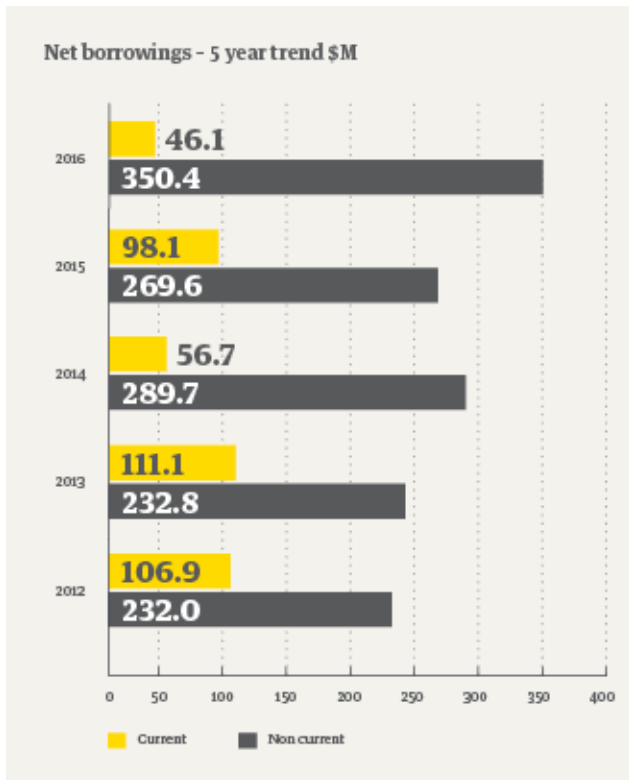
We have a comprehensive renewal programme for our assets and have completed \$124.4 million (excluding unbudgeted expenditure of \$21.5 million relating to the purchase of land for the proposed movie museum and convention centre) of capital expenditure which equates to 72% of our capital expenditure plan for the year. We will carry forward \$48.0 million into future years to finish what we have started.

Sound Finances

There are a number of aspects to being in a sound financial position, and some of them have been covered in the previous section. Central to this, however, is the Council’s debt position and future borrowing capacity. Constraints on borrowing could affect our ability to maintain assets or fund growth initiatives.

Net borrowings have increased by \$28.7 million (2015: \$21.3m) during the year to \$396.5 million (2015: \$367.8m). Net borrowings are the total borrowings less any cash and cash equivalents and current deposits. The average borrowing per resident is \$1,932 (2015: \$1,844). The total net borrowing of \$396.5 million (2015: \$367.8m) is less than 82% (2015: 80%) of our annual revenue and makes up 10% (2015: 10%) of total assets. This is equivalent to a household with a property value of \$570,000 earning \$70,000 a year, having a mortgage of less than \$57,000.

How much we need to borrow depends on the level of capital expenditure during the year. For 2016 capital expenditure was \$145.9 million, or \$124.4million excluding \$21.5million relating to the purchase of land for the proposed movie museum and convention centre, (2015: \$146.5m) compared to a budget of \$173.8 million. The difference is mainly due to major upgrade projects being delayed, including earthquake strengthening of the Town Hall, and in the city social housing programme.



In terms of borrowings compliance, we have maintained our AA rating with the independent credit rating agency Standard and Poor’s. The credit rating is a comparative measure of our financial strength. Our AA credit rating is the highest given to any council in New Zealand. Holding and maintaining such a high credit rating provides us with a range of benefits that would not otherwise be available.

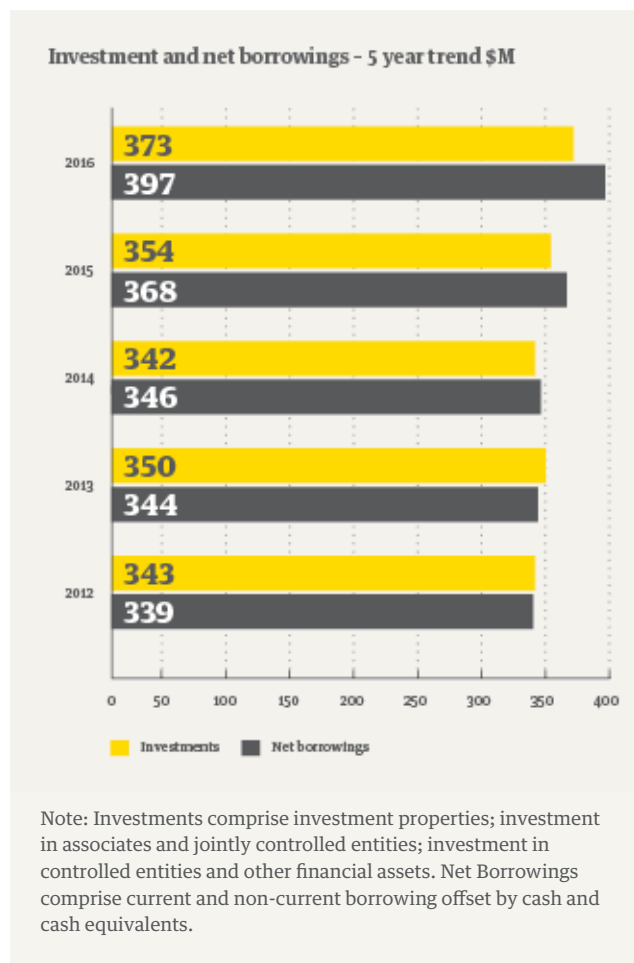
These benefits include access to lower cost borrowings and a wider range of borrowing alternatives.

As detailed below, we have a very strong financial position based on the following major asset types:

- Property, plant and equipment (including land, buildings, pipes, roads and other infrastructure assets) - \$6,645.9 million
- Other assets (including investment properties and investments in controlled entities and associates) - \$434.2 million

These assets have increased due to the level of capital expenditure and investment property revaluations.

We also continue to maintain a strong investment position when compared with the level of borrowings. The graph below compares the balance of investments and net borrowings over the last 5 years.



The value of investments mainly relates to investment properties, our share of the net assets of our associates (including Wellington International Airport Limited) and other financial assets.

We have prudently managed our borrowings to ensure we meet the specified requirements in our Long-term Financial Strategy. Net borrowings at 30 June 2016 are 81% (2015: 79%) of revenue, within the target of 150% set by the Council and significantly less than the 175% limit contained within our Financial Strategy. This is illustrated in the Financial Prudence section on page 237 on Local Government Benchmarks.

Our major liabilities include:

- Gross borrowings - \$490.5 million⁸
- Other liabilities (including trade and other payables) - \$205.1 million

There have been no significant changes in “Other Liabilities” during the year.

Growing the local economy and ratepayer base

We are also focused on developing and implementing our eight “big ideas” as outlined in the LTP 2015-25 to grow the local economy and encourage commercial development. We achieved our budgeted growth in the rating base of 1.2% (2015: 1.4%). Growth through residential and commercial developments means we can further spread the rates impact of the broad range of services that the Council provides.

The most significant growth initiative we are working on is the new movie museum and convention centre. We have already purchased the land and are now developing plans and budgets for its construction. We have a number of others already under way and these are described in greater detail in section 3, Economic Development, on page 54.

Another measure of growth in the city is the level of development contributions and vested assets to the Council. Vested assets are non-cash in nature - such as roads, streetlights, water, wastewater, and stormwater pipes - that are often the result of sub-division work. The Council received \$2.7 million (2015: \$2.1m) of development contributions, and \$10.2 million (2015: \$12.4m) of assets were vested during the year. This takes the level of development contributions and vested assets transferred to the Council to \$37.1 million over the last 3 years.

Overall

As we have explained, we are sticking to the direction and are delivering on the financial approach contained in our Long-term plan 2015-25. We have performed well in our stewardship and financial governance role on behalf of the ratepayer. We have managed the finances so the rates requirement has not exceeded what was committed to in the Long-term plan, and have managed our borrowings in a prudential manner for all ratepayers.

⁸ Annual Report, Notes to the financial statements, Note 23 Borrowings, page 191.

How we supported ourselves to do well

We will only achieve our outcomes if we work well as an organisation. This means working well internally as well as working well with others - our customers, stakeholders, providers and partners. This is a new section of our Annual Report and is driven by good management practices and the Long-term plan objectives: improving asset management practices to better manage risk and the timing of asset replacement, and achieving ongoing efficiencies from shared services and improved customer experiences.

Over the year we made progress to support ourselves and the achievement of our outcomes. At a strategic level we developed a new operating model and are in the process of developing a roadmap to implement its principles and objectives. This is a business model that places our customers at the centre of what we do, and we will be progressively adapting how we deliver services so they are more customer-centric. We also carried out activities in the following areas:

- **People:** A Health and Well-being Strategy containing well-being programmes. We developed a Leadership Development Programme, focussing on emerging leaders and those who 'lead where they stand'. We also introduced an Integrated Framework for the Delivery of Skills to make sure we have the right skills and competencies across our organisation
- **Culture and values:** In response to our Climate and Culture Survey we delivered the Crucial Conservation programme and our Leadership Development Programme. We also delivered a Performance Development Framework to improve individual and team performance, and a Health and Safety Plan in response to recent legislative reforms
- **Customers and stakeholders:** We worked on our Customer Strategy to ensure we provide the services our customers need and the way our customers want them. We also hosted various stakeholder meetings, in particular meetings with our Treaty partners in accordance with our obligations under the Resource Management Act 1999. To connect iwi and the community we provided cultural advice and generally engaged with the wider Māori community
- **Systems and processes:** We continued working on our Odyssey project which will improve our customer service, reduce IT costs, increase our business efficiency, and position us for future changes in the way we work. OneCouncil is the platform for our transformation and merges our current applications (customer service, land, property, regulatory, assets, finance, human resources and payroll functions) onto a single platform. Phase 1 of OneCouncil comprises the Finance, Assets and Payroll modules, and the Finance and Assets module went live in July 2016. We also implemented TROVE - our new EDRMS and entered into an ICT Shared Service with Porirua City Council, Upper Hutt City Council and Wellington Water Ltd. We also maintained and improved our business continuity plans
- **Assets:** Our OneCouncil Enterprise Asset Management module which replaces over 20 separate systems and tools went live in July 2016. We introduced the living wage and a social responsibility clause in our procurement contracts
- **Money:** We primarily focussed on ways to improve financial forecasting from the point of view of continuous improvement

On balance we made significant progress to improve and enhance the health of our people, culture and values, customers and stakeholders, systems and processes, assets and our money over 2015/16. In the future we will develop 'fit for purpose' measures on each of these areas to report on.

Where we are going

OUR ANNUAL PLAN 2016/17

Under the Local Government Act 2002 we are required to adopt an Annual Plan for each financial year. In our Annual Plan 2016/17 we have committed to undertaking work in each of our key activities (the what) in the table below. As part of our annual business planning process, we have also committed to a number of activities relating to our people, culture and values, customers and stakeholders, systems and processes, assets and money (the how).

The table below outlines the activities we have planned and budgeted to undertake in 2016/17.

WHERE WE ARE GOING - 2016/17

ACTIVITY	INITIATIVES
Governance	Governance: Local Government Election 2016; Amendment to LTP reflecting Council's decisions on movie museum and convention centre proposal. Access to information: Ongoing digitisation of Council-held information (Digihub).
Cultural well being	Grants: Financial support to Circa Theatre and technical groups using the theatre and on-going cultural grant funding. Events: New free outdoor events series including music, dance, theatre, circus and digital art; Ongoing maintenance of the Pukeahu National War Museum Park.
Environment	Gardens, beaches and green open spaces: Purchase Zealandia Visitor Centre from Karori Sanctuary Trust and create a Zealandia Council Controlled Organisation; Planning for Harbour escarpment walk that will eventually link Waihinahina Park in Newlands to Kaiwharawhara; On-going renewals of our walkways and tracks and work on our Biodiversity Strategy and Action Plan. Wastewater: Scope feasibility and impact of Council ownership of wastewater pipes that link private houses and businesses to public sewers. Stormwater: Hydraulic modelling of network; upgrades; Stage 1 of the Lyall Bay Foreshore Resilience Plan. Energy efficiency: Implementing our Low Carbon Capital Plan 2016-18.
Economic development	Events: Wellington Regional Economic Development Agency (WREDA) to focus on activities making Wellington the most prosperous, liveable and vibrant region in Australasia; City Growth Fund – provide \$2.4 million for events, initiatives and partnerships; \$150,000 funding injection to extend free Wi-Fi. Major projects: Pending Council and The Movie Museum Ltd negotiating final terms, construction of the movie museum and convention centre; A \$5.0 million grant to Wellington Regional Stadium Trust to upgrade Westpac Stadium; Wellington Airport runway extension; Michael Fowler Centre Carpark; School of Music proposal; North Kumutoto and Frank Kitts Park. Business Improvement Districts: Targeted rate to raise \$80,000 on commercially rated properties in Kilbirnie Business Improvement District.

ACTIVITY	INITIATIVES
Social and Recreation	<p>Sport and Recreation facilities: Develop a Sport and Recreation Plan; A third artificial turf sportsfield at National Hockey Stadium; An artificial playing surface at former Terawhiti Bowling Club in Karori; Subject to further funding arrangements, redevelopment of the Toitu Poneke Sports Hub; Maintenance Work on Freyberg Pool; Planning work for the new community playground in Wakefield Park and renewal of various playgrounds.</p> <p>Libraries and community spaces: Johnsonville library – further design work in consultation with the community.</p> <p>Development of individual well-being, safe neighbourhoods and engaged communities: Wellington becoming a UNICEF child and youth friendly city; On-going work on Te Mahana programme for ending homelessness.</p> <p>Social and recreation grants: Funding for projects that will have a positive impact on vulnerable groups, including refugees.</p> <p>City housing: Social Housing Upgrade Programme – new build at Arlington East.</p> <p>Community centres and halls: Start work on Aro Valley Community Centre and Newtown Community and Cultural Centre.</p> <p>Urban: Street community and place-based programmes. Implementation of the Basin Reserve Master Plan.</p> <p>Public health and safety: Fencing of one dog exercise area; Graffiti management; Implementing Smokefree Wellington Action Plan; Renewal of Karori Crematorium and earthquake strengthening of chapels.</p>
Urban	<p>Urban growth: Establishment of an Urban Development Agency to unlock barriers to development potential.</p> <p>Public spaces : Upgrades to Lombard Lane, Cable Car Lane and Frank Kitts Park; Tawa Town Centre Upgrade; Urban Activation Fund aimed at transforming streets and laneways in Holland and Garrett Street, Swan Lane; and Installation of three drinking fountains, one at Midland Park, Civic Square and Lower Cuba Street.</p> <p>Built Heritage Fund: Funding for the conservation specific work and maintenance work on heritage items.</p> <p>Resilience: Development of a programme of work to implement Council's resilience strategy as part of Council's deliberations for the 2018-28 Long-term plan; strengthening and upgrading of the Town Hall; and beautification work on public spaces.</p> <p>Commonwealth Walkway: A pathway that connects 32 monuments, parks, building and historic places along a 9 km loop.</p>
Transport	<p>Transport: Working in conjunction with Greater Wellington Regional Council (GWRC) to expand the range and scope of bus priority measures; in conjunction with New Zealand Transport Authority review and refresh the cycle programme and undertake community-focussed engagement; a number of small projects to improve pedestrian flow in CBD; safer speeds project that proposes to reduce vehicle speeds in the central city and key suburban areas.</p> <p>Parking: Continue installation of parking sensors using SMART technology; Replacement of Cable Car drive mechanism; and Parking Policy Review.</p>

We also planned the following key initiatives to further support the 'how' of our business.

'HOW' DIMENSION	INITIATIVES
People	Health and Safety Plan (Risks, Relationships, Resources); Workforce Planning; Develop capability to support Business Transformation; Strategic Integrated HR Management System; Diversity Management; Youth to Work programme.
Culture and values	Culture and Climate Survey; Employment Value Proposition (employer of choice); and Customer Centric Delivery Model.
Customers and stakeholders	Boost capability and capacity to implement Customer Strategy; Develop resources for staff to ensure best practice engagement; Targeted Operating Model.
Systems and processes	Odyssey - OneCouncil payroll module 'go live'; Phase 1b Enterprise Asset Management 'go live'; Prepare modules for customer service, land, property, regulatory and HR functions to go live in following years; Implement our Health and Safety Plan and review our risk controls, safety leadership, worker engagement and reporting and assurance; TROVE - phase 2; and section 17a Service Delivery Review for cost-effectiveness under the Local Government Act.
Assets	Implement Odyssey Enterprise Asset Management. Module.
Money	Implement Odyssey Payroll module.

LTP AMENDMENT

Early in 2016 the Council consulted with the public on a proposal for the development of a movie museum and convention centre which would result in an amendment to our Long-term plan 2015-25. We plan to formalise this amendment later in 2016.

Statements of Service Provision






Statements of Service Provision

This Statements of Service Performance (SSP) section outlines the activities and services we have undertaken over the year as well as how well we performed in year one of our LTP.

We have changed the presentation of our SSP this year by telling our performance story with a focus on how our achievements relate to our outcomes. Each activity chapter now includes a high level strategy map that shows the logic, or line of sight, between our money, the activities we committed to in our LTP objectives, and our outcomes. To understand the line of sight between our varying activities, and our outcomes, we shade text within the strategy maps (bold text means solid line of sight). Under each of our key activity areas we carry out a number of sub activities that align to our outcomes. We have included an outcome table under each strategy map to explain the relationship between the sub activity and our outcomes. We call this our outcome statements and we use them to tell our narrative about our key achievements for the year.

Working with others, particularly our CCOs is a big part of how we will achieve our outcomes. This year we have included information (as a stand-alone table) relating to our CCOs within relevant activity chapters.

To tell our performance story we use our performance measures and outcome indicators from the LTP. This information is drawn from a wide variety of sources, including our annual Residents' Monitoring Survey⁹. Our performance measures include the mandatory non-financial performance measure rules required under the Local Government Act 2002. This year our performance information can be found in the following stand-alone chapter titled 'Measuring our Performance'. Where these measures are useful to our performance discussion, we have highlighted this detail in each activity chapter. Our performance in 2015/16 is measured by comparing our actual achievements against the targets we established for each measure in the LTP. In measuring our outcome indicators we use a traffic light system (red, orange and green) to show whether we achieved our target.

TRAFFIC LIGHT	PERFORMANCE
Green	 Performance on target or improved
Amber	 Performance within 3 percentage points of target
Red	 Did not achieve

Percentage point explanations for performance measures are provided for measures within 10 percentage points from target. For our outcome indicators, which often don't have targets, we measure our performance against results in 2014/15 using the same traffic light system.

9 The Residents' Monitoring Survey (RMS) has two parts, both of which are weighted to be representative of Wellington's population in terms of age, gender and ward. All participants are aged over 18, with 760 responses to part 1 and 686 for part 2. The standard margin of error is +/-3.55% for part 1, and +/-3.74% for part 2. Over the last few years, we have made the transition from conducting our Residents Monitoring Surveys using telephone surveys to now conducting them online. Therefore, because of this methodology change, previous results are not directly comparable. Consequently, only three years of data is included for any measures taken from the RMS.

1

Governance Pārongo ā-tāone

Delivering trust and confidence in decision-making

BY THE NUMBERS

141,904

Number of registered voters in Wellington City.
This is an increase from 136, 390 in 2013.

GOVERNANCE - AT A GLANCE

Outcomes	Connected-city	People-centred city	Eco-city	Dynamic-city
Relevant LTP objectives	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure;</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement; and</p> <p>Achieving ongoing efficiencies from shared services and improved customer experiences.</p>			
LTP key activities	Governance, information and engagement.	Māori and mana whenua partnerships.		
Relevant LTP projects	Governing the Region; A partnership approach; Involving residents in decision-making; Māori and Mana Whenua Partnerships.			
Operational expenditure	Operational expenditure (as per financial summary).			

Good governance (which is democratic decision-making on behalf of our community) and informed engagement with our community are the foundations of the successful achievement of our outcomes. Good governance, informing and listening to residents so we can make decisions that are in the city’s best interests, and managing our partnerships with mana whenua (and other groups) ensure we have a local democracy. They also ensure we make quality decisions regarding the activities needed to achieve our outcomes. Our aim is to build trust and confidence in our decisions and delivery.

1.1

Governance, information and engagement

Pārongo, kōrerorero whānui me ngā mahi whakataunga

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

We want our information and services to be accessible to our residents

WHAT WE DO AND WHY

The Local Government Act 2002, sets out the decision-making, planning and accountability procedures expected of us. Our decisions need to reflect the services that matter to the community and how much they are willing to pay for them. We need to ensure people are well-informed and can contribute meaningfully to Council decision-making processes. The Public Records Act 2005, requires us to keep a record of our work and provides access to the information we hold. City Archives preserves and makes available a huge range of primary information about the city's history.

Our key activities include:

- *City governance and engagement:* We provide advice, research and administrative support to elected members and community boards. We run local body elections and undertake accountability planning and reporting functions. We also facilitate engagement with the community on key issues, including input from advisory groups on specific areas
- *Civic information:* Our Contact Centre and website provides 24/7 access to information, including the ability to log service faults
- *City Archives:* We manage archival information in line with relevant legislation
- *Māori and mana whenua partnerships:* We maintain formal relationships and work alongside Māori and mana whenua

These activities are the foundation to the achievement of all our outcomes, and in particular contribute to the following outcome:

OUTCOME	OUTCOME STATEMENT
---------	-------------------


- | | |
|---------------------|--|
| People-centred city | <ul style="list-style-type: none"> • Enhances trust and confidence in civic decision-making and encourages the community to participate in how the city is run • Providing information about the city and its services allows people to use the city's facilities and provides access to information • Our City Archives is a guardian of Wellington's memory. It preserves and makes available a huge range of primary information about the city's history |
|---------------------|--|

OUR KEY ACHIEVEMENTS

We enhanced trust and confidence in civic decision making and encouraged the community to participate in how the city is run

Engaging and informing the public are our core business and e-governance continued to be a key focus in 2015/16. With live-streaming of Council meetings now well-established, elected members can now use an audio-visual link to take part in Council meetings.


To help residents to participate in how we run the city we introduced an electronic process that speeds up the production of Council and Committee agendas and minutes. However, for the first time since 2013/14 we have not met our 2 working day target. This was because an agenda was delayed to accommodate a late application for a temporary road closure and the issue could not be postponed to the following monthly Council meeting.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of Council and Committee agendas made available to the public within statutory timeframes (2 working days).	94%	100%
		2014/15 PERFORMANCE 100%

Source: Democratic Services


It is also now possible for residents to participate in Council and Committee meetings electronically. During the year we received six ePetitions and 129 people participated.

While we didn't meet our target for residents satisfied with the level of consultation, this rating was the same as last year.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents satisfied with level of consultation	53% 	55%
		2014/15 PERFORMANCE
		53%

Source: WCC Residents' Monitoring Survey

There was also significant decline in resident's satisfaction with their involvement in our decision making.


MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents satisfied with their involvement in Council decision-making	59% 	75%
		2014/15 PERFORMANCE
		74%

Source: WCC Residents' Monitoring Survey

We will look further into these residents satisfaction with their involvement in decision-making. Our Customer Strategy currently under development will also help address this.

We provided information about the city and its services allowing people to use the city's facilities and have access to information


Our Service Centre continues to be the physical face of Council - but we also respond through a variety of mediums including face-to-face, emails, phone calls, text messages and on-line. Our residents and customers don't get stuck in call queues with over 80 % of them being quickly redirected within the business.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Contact Centre calls answered in 30 seconds	80% 	80%
		2014/15 PERFORMANCE
		84%

Source: WCC Contact Centre

Our FIXiT smart phone app improves our residents' access to our services. There has been an increase in the number of FIXiT notifications received over the year which maybe a response to the work we undertook to improve the profile of this channel. During 2015/16 we responded to 289,200 calls, 21,190 emails and 12,328 texts using our FIXiT app.

The number of residents who agree our information is easy to access has improved over the year but we have yet to achieve our target. Further work is under way to improve this.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents who agree that Council information is easy to access	49% 	55%
		2014/15 PERFORMANCE
		48%

Source: WCC Residents' Monitoring Survey

Our City Archives preserved and made available a huge range of primary information about the city's history.

We improved the way we met our legislative obligations to preserve and make available information through our new DigiHub centre.

Case study

DigiHub, City Archives

Over the year we made significant progress in the digitisation of Council-held information. Digitisation reduces damage to our historic records, such as building permits, and makes it easier for the public (who previously had to visit our City Archives building) to access this historical information. It is one of the ways we're moving towards becoming an electronic and paperless office.

In July 2015 City Archives introduced a new Building Consent Search Service. This allows the public to request and receive building consent information through our website for any property in the Council area for a fixed fee.

In early 2016 we set up a dedicated digitisation hub (DigiHub) and now respond to internal and external information requests in digital form. The result is our customers have timely access to our information, as do our staff who can access information through our content management system (TROVE). Since going live on 4 April 2016, DigiHub has prepped and scanned around 3750 files and created just under 240,000 pages of information. This is only 0.5% of all the items City Archives holds. We continue to receive positive feedback about this new service, as the process saves time and gives customers a complete record of a property.

"I'd just like to congratulate WCC for implementing the new service for downloading property files (building consent archive plans etc....) and providing a service to burn these direct to CD and courier out to the purchaser. As architects we used to have to spend large amounts of time coming down to WCC archives to review the files, when we really just want all the information available, and then to be able to filter and review it back at our own office, and to be able to go back and review portions of the existing information in future, to make sure we have not missed anything. This new service was fast, efficient and saved us a great deal of time. Thanks, WCC." (Name withheld)

"Just to let you know, we are pretty impressed with the new download method of receiving archive documentation. Very large files have come through with no hiccups and it's very helpful to have all the miscellaneous file information included." (Name withheld)

"The new electronic delivery of archived consent info is a huge step forward." (Name withheld)



OUR PERFORMANCE

Quality of the public's involvement in Council decision-making:

We didn't meet our targets for residents' satisfaction with the level of consultation and their involvement with decision-making. The percentage of residents satisfied with the level of consultation was the same as last year. The percentage satisfied with their involvement in decision-making was lower than last year. Implementation of our Customer Strategy and new approaches to engagement should help us improve these satisfaction ratings in future.

Quality and timeliness of residents' access to information:

We didn't meet our target for residents who agree Council information is easy to access although there was a slight improvement from last year. In addition, we didn't meet our target for the percentage of residents who agree our website is easy to navigate and get information from. Again there was a decline in our performance from last year. We will consider how to address better access to our website and Council information in the future.

Further information can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
1.1.1 City Governance and Engagement ¹				
Expenditure	9,433	9,901	468	9,181
Revenue	(29)	(12)	17	(106)
Net Expenditure	9,404	9,889	485	9,075
1.1.2 Civic Information ²				
Expenditure	5,334	5,435	101	5,364
Revenue	(569)	(313)	256	(387)
Net Expenditure	4,765	5,122	357	4,977
1.1.3 City Archives ³				
Expenditure	1,207	1,758	551	1,194
Revenue	(153)	(182)	(29)	(162)
Net Expenditure	1,054	1,576	522	1,032
CAPITAL EXPENDITURE (\$000)				
1.1.1 City Governance and Engagement				
Expenditure	-	-	-	-
Unspent portion of budget to be carried forward	N/A	-	-	N/A

1. Under budget due to savings in internal costs regarding the elected members and marketing costs associated with Our Wellington programme.
2. Under budget due to higher internal labour recoveries which also drove lower organisational cost allocations.
3. Under budget due to lower than planned personnel and asset purchasing costs.

1.2

Māori and mana whenua partnerships

Whai wāhitanga Māori (tae noa ki te mana whenua)

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

WHAT WE DO AND WHY

We recognise our obligations under the Treaty of Waitangi, and our responsibilities under the Local Government Act 2002, by fostering partnerships with mana whenua (local iwi) and relationships with the wider community.

We ensure the special position of mana whenua Ngāti Toa Rangatira and Taranaki Whānui ki te Upoko o te Ika is acknowledged and reflected in the way we make decisions about the city and its resources. We also ensure their contribution to Wellington's heritage and future is fully and publicly acknowledged. We work with mana whenua to explore opportunities for the city emerging from settlement of their Treaty of Waitangi claims, and engage with the wider Māori community in particular on issues of specific interest to them.

Other activities include:

- Maintaining formal relationships with two mana whenua partners
- Facilitating opportunities to contribute to local decision-making

These relationships are fundamental to the achievement of all our outcomes, and in particular contribute to the following outcome:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Promotes inclusiveness, celebrates social and cultural diversity and enables us to respond to the needs and aspirations of Māori• Enhance the visibility of Māori culture and history by telling the story of Wellington's Māori

Did you know?

Wellington was the first New Zealand city to host a parade to celebrate Te Reo for Te Wiki o Te Reo Māori in 2016.

OUR KEY ACHIEVEMENTS

We promoted inclusiveness, celebrated social and cultural diversity enabling us to respond to the needs and aspirations of Māori

We promoted inclusiveness and celebrated our cultural diversity by supporting a number of community events. For Te Wiki o te Reo Māori in July 2015, we hosted or supported three free events: Toi te Kupu at the City Gallery; Te Awa-a-Taia Roller Disco at Kilbirnie Recreation; and we ensured that Te Raukura the Wharewaka o Pōneke and Pipitea marae were able to take part in Open House - our celebration of Wellington being the capital for 150 years. Te Rā o Waitangi (6 February) at Waitangi Park included local kapa haka performances. Our co-host, the Port Nicholson Block Settlement Trust, opened the Waitangi Day celebrations alongside local elected members. We also supported the Ngā Manu Kōrero regional and national speech contests.

We supported Te Kāhui Kaiako Māori o te Whanganui-a-Tara (Wellington to Otaki Māori Secondary Schools Teachers Association) who hosted the regional speech contest at Te Papa. At the national speech contest, also hosted in the Wellington region, we supported the attendance of city colleges' at the Te Rauparaha Arena contest in Porirua.

In September 2015, we supported the Mayor's Tuia Young Māori Leader, Māia Huriwaka to host her Kāi-a-te Rangatahi event at Te Raukura - the Wharewaka o Pōneke. This event highlighted Māori who are working in challenging industries and celebrated their Māori identity in their work. We also promoted inclusiveness and celebrated our cultural diversity simply by maintaining formal relationships with our two mana whenua partners, and other Māori stakeholders. How we maintained these relationships, and how well we performed are discussed in the section "How we supported ourselves to do well".

We enhanced the visibility of Māori culture and history by telling the story of Wellington's Māori

We told the story of Wellington's Māori by officially naming Whairepo Lagoon. Working with the Port Nicholson Block Settlement Trust the Whairepo Lagoon, adjacent to the Te Raukura the Wharewaka o Pōneke, was officially named 'Whairepo'. This is the Māori name for the eagle ray that feeds and shelters in the lagoon. The eagle ray is considered kaitiaki (guardian). We celebrated our diversity and improved the visibility of Māori culture by helping with Matariki celebrations, together with a number of organisations. Matariki dates are dependent on the lunar moon and the rising of the Matariki constellation in 2015 occurred throughout June. Over 100 events were held across the region, and we supported the Purapurawhetū at the Opera House (17 June). This was the third successful Matariki Wellington Festival (matarikiwellington.org) with funding from the Regional Amenities Fund. We also welcomed the Welsh to Wellington - dragon meets taniwha. The Welsh rugby team was in town during Matariki and we welcomed them with a pōwhiri at Pipitea marae. Local iwi representative Holden Hohaia said of the visitors, "When we think of Wales and their history and legends compared to our own, they are very similar. It's wonderful to take a traditional perspective on things. It takes us back to our roots. I think it's a beautiful symbolism of our two cultures."

OUR PERFORMANCE

Health of our relationship with mana whenua: mana whenua were 'satisfied' with Council relationships. This is consistent with the result over the last two years.

Engagement with Māori residents: Māori residents satisfaction with their involvement in decision making didn't meet its target. Further detail can be found in the chapter titled 'Measuring our Performance'.

FINANCES

How it was funded

Services in this activity are funded through general rates.

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
1.2.1 Māori and mana whenua Partnerships				
Expenditure	274	282	8	202
Revenue	-	-	-	(10)
Net Expenditure	274	282	8	192

GOVERNANCE - OVERALL SUMMARY

Our governance activities were carried out as planned for year one of the LTP. To improve residents' satisfaction with levels of consultation and involvement in decision making further work is needed through our developing Customer Strategy and new approaches to engagement. Work is also required on the ease of access to information in relation to our services. Our new Digihub initiative has been very successful. Our governance support for Council decision making, elections and Councillors continues to support the achievement of our outcomes.

2

Environment Taiao

Protecting and enhancing Wellington's environment

BY THE NUMBERS

**24.5 billion
litres per day**

Total residential and commercial water consumption. A decrease from 26.6 billion litres per day in 2015. ¹⁰

99km

Wellington coastline - a variety of sandy beaches and rocky shores and the city enclosed around the harbour. ¹¹

¹⁰ Wellington Water Ltd

¹¹ WCC Wellington City Profile - Key Facts about the City

ENVIRONMENT - AT A GLANCE

Outcomes	Connected-city	People-centred city	Eco-city	Dynamic-city
Relevant LTP objectives	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure;</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement; and</p> <p>Achieving ongoing efficiencies from shared services and improved customer experiences.</p>			
LTP key activities	Parks, gardens, beaches and green open space. Waste reduction and energy conservation.	Water, Wastewater and Stormwater. Conservation attractions.		
Relevant LTP projects	Understanding impact of climate change; Low-Carbon; Our contribution to climate change; Southern landfill; Understanding key infrastructure; Managing harm from stormwater; Interactive children’s garden; Te Motu Kairangi / Miramar peninsula; Our natural capital and Freedom camping.			
Operational expenditure	Operational expenditure (as per financial summary).			

The quality of Wellington's environment depends on us all - the Council, residents, business, industries, regional and central government and others. We are a regulator, funder and a provider of services. We work in partnership with local communities, businesses, volunteer organisations and all levels of government.

We are responsible for vital services such as water supply, waste reduction and disposal, and wastewater and stormwater services. These networks are managed by the CCO - Wellington Water Ltd.

We manage our open spaces such as the Town Belt, Outer Green Belt and our city's beaches and coastline. We fund conservation attractions such as Zealandia and Wellington Zoo. These attractions are also managed as CCOs.

We fund all of these services because they are important to the lives of individual Wellingtonians and to the community as a whole. They ensure that the city is safe and liveable, that basic human needs are met, and they minimise harmful effects from human activity. They also provide recreation opportunities, attract visitors, and make the city a beautiful place to live.

2.1

Gardens, beaches and green open spaces

Ngā wāhi wātea me ngā mahi papa atawhai

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

WHAT WE DO AND WHY

Wellington is surrounded by nature. We preserve the city's unique environment and protect and restore its biodiversity. A high-quality natural environment enhances the city's unique 'sense of place' and provides attractive, safe and accessible spaces for leisure and recreation. Our aim is to enhance enjoyment of these areas.

Our activities include providing:

- Over 4,000 hectares of parks, reserves and beaches
- 200 buildings for community use
- 365 kilometers of walking and mountain bike tracks
- Over 200,000 square meters of amenity bedding and horticultural areas
- Boat ramps, wharves, seawalls and slipways
- Enhancement and protection of our biodiversity (pest management)

Over the year these activities helped us achieve the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Beaches and coastal areas provide high quality natural spaces for leisure and recreation• The Botanic Gardens enhance Wellington's unique 'sense of place'• Community environmental initiatives that we fund improve the quality of our natural environment, and make the city a better place to work, live and play• Protecting biodiversity improves the quality of our environment making the city a better place to work, live and play• A clean inner harbour and waterfront area enhances Wellington's unique 'sense of place', making it a great place to live
Connected-city	<ul style="list-style-type: none">• By supporting community environmental initiatives we support bringing people together and encourage community spirit• Walkways provide attractive, safe, and accessible opportunities for leisure and recreation, connecting people with each other and the environment
Eco-city	<ul style="list-style-type: none">• Pest management is important for biodiversity and protects native flora and fauna

OUR KEY ACHIEVEMENTS

We carried out work in our local parks, open space and our walkways that enhanced Wellington's unique "sense of place" making Wellington a great place to work, live and play

We improved access and opportunities in parks and open spaces. We acquired the inner city park - Flagstaff Hill - and created a fenced dog exercise area next to Ian Galloway Park.

Did you know?

We own and maintain 188 square metres of open space per capita or 3,833 hectares.

During Parks Week, working with our partners, we ran over 35 events which were attended by over 4000 people. We also supported our horticultural apprentices in a project called Hidden Gardens, in which gardens were planted in "hidden" areas across the city. This very successful event allowed us to support our emerging talent, promote some forgotten corners of the city, and get people out exploring our open spaces. Working with Porirua City Council we made progress on a master plan for the Porirua Outdoor Recreation Park (including Spicer Forest).

We continued to connect, engage and inspire people at "Wellington Gardens". This is the new name for the Botanic Garden, Otari-Wilton's Bush, Truby King House and Garden and Bolton Street Cemetery. We rebranded this year so we can better explain, leverage and promote each garden. At the Botanic Garden we began construction of Phase 1 of the Children's Garden. We also worked with our partners (Nature Connections) to deliver a successful summer season promotion, including a successful trial of food trucks. We held another successful Spring Festival (which included Kids Day Out) and a 'Meet the Curator' annual rose pruning demonstration. Visitor numbers were down at the Botanic Garden as a result of visitor counters not working because of insect infestations. With the successful cruise ship season and summer over 2015, visitor numbers are thought to be well over 1.2 million.

At Otari-Wilton's Bush we hosted the New Zealand Festival's event 'For the Birds' which was attended by over 10,000 people. Our Otari-Wilton's Bush staff completed a plant collections trip in Marlborough to fill gaps in the Otari collection, and collect seed for the New Zealand Indigenous Flora Seedbank (NZIFSB). We want to recognise and celebrate one of our curators, Karl Noldan, who was placed third in the National Young Horticulturist of the Year competition.

We continued to use Wellington Gardens to educate residents and visitors. Our new educator started providing environmental education to schools and delivering structured school holiday programmes.

Case study

Otari-Wilton's Bush

Our staff at Otari-Wilton's Bush are actively contributing to the conservation of New Zealand's unique plant biodiversity, both locally and nationally. Staff grow endangered plants to be returned to the wild, and collect and deposit seeds into the New Zealand Indigenous Flora Seed Bank (NZIFSB), based in Palmerston North.

Among others, a success story from 2015/2016 was returning a sand daphne (*Pimelea actea*) to the Whanganui coast in partnership with the Department of Conservation. The endangered status of this sand daphne is nationally critical, the highest category of threat in New Zealand - the same threat category as kākāpō. After 2 years of propagating the plants at Otari we were able to return 31 to Castlecliff, Whanganui. Here the sand daphne is considered extinct after an erosion event destroyed the previous population of plants. We now have a further 200 plants that will be returned to Whanganui in 2016/2017.

Otari staff also contribute annually to the NZIFSB. The aim of the NZIFSB is to collect seeds of New Zealand flora to conserve plant species under threat - for example, from disease, habitat destruction, or predation. Withdrawals are possible for reintroduction of species and for research projects that will help conserve the species. Four of our staff received seed collecting training, facilitated by the Millennium Seed Bank, Kew, England.

Once collected, seeds are deposited and stored in freezers at minus 20° Celsius. Banked seeds can remain viable for decades, if not longer; a typical collection aims for an ideal deposit of 10,000 seeds per species.


Otari-Wilton's Bush is also hosting seed bank workshops for volunteers who assist with seed cleaning and packaging, and will house a duplicate storage facility for some seeds from the seed bank.



We improved our network of walking and mountain bike tracks. We worked with the Capital BMX club to complete stage 1 of a BMX facility next to Ian Galloway Park, and constructed a new grade 2 bike trail at Karori Park. To promote the capital as a key mountain biking destination, and highlight the main reserves where this activity is popular, we made a series of five mountain biking videos which you can check out on our council website here: <http://wellington.govt.nz/recreation/enjoy-the-outdoors/mountain-biking>.

We carried out further work to upgrade our Town Belt including work on various trails and signage on Mt Victoria/Matairangi Town Belt and the Town Belt entrance from Hanson Street. We also played an integral role in the passing of the Wellington Town Belt Legislation 2016, which gives us responsibility to manage the Town Belt as a public recreation ground for the people of Wellington. Our most popular walkways are now included in a new brochure, Wellington Walks, which has proven very popular with over 30,000 copies distributed.

Our residents' perception that the natural environment is appropriately managed and protected has marginally improved since last year.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Residents perception that the natural environment is appropriately managed and protected	79% 	N/A
		2014/15 PERFORMANCE
		78%


Source: WCC Residents' Monitoring Survey

We ensured our beaches and coastal areas provide high quality natural spaces for leisure and recreation

We replenished the sand at our very popular Oriental Bay bringing the beach back to its 2003 sand levels.

We funded community environmental initiatives to raise awareness of environmental issues and improve environmental outcomes

We acknowledge we can't protect the environment on our own and we ran six workshops to develop capacity in our environmental volunteers in the following areas: propagation, seed collection, pest animal trapping, citizen science and health and safety. There has been a significant increase in hours worked by volunteers over the year.


MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Hours worked by recognised volunteer groups and botanic garden volunteers	45,009 	N/A
		2014/15 PERFORMANCE
		43,880

Source: WCC Parks and Recreation

We also gave 37,182 plants to the community for planting and the community planted an additional 18,000 plants.

We celebrated Arbor Day by planting trees at Spicer Forest with over 160 children from Tawa and Porirua schools.

We did not meet our targets for planting two million trees by 2020 or our integrated pest and weed control on high value biodiversity sites. We were behind to plant two million trees because we lost our major partner (Greater Wellington Regional Council) who reprioritised their funding. We are now working with new partners and expect to achieve our target over time.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
We will plant two million trees by 2020	1,345,773 	1,389,777
		2014/15 PERFORMANCE
		New Measure in the Long-term plan


Source: WCC Parks and Recreation

Did you know?

Through our Living City Fund we supported 22 projects with \$50,282 of grants ranging from citizen science projects, local community gardens, volunteer groups in parks and reserves, and workshops. We also provided funding support to the Sustainability Trust who through their new Forrester Lane Eco Centre support various programmes around urban agriculture. You can find out more here: <http://wellington.govt.nz/services/community-and-culture/funding/council-funds/our-living-city-fund>.

We protected our biodiversity improving the quality of our environment making the city a better place to work, live and play

We cleared wilding pines from over 40 hectares of regenerating native vegetation throughout our parks and reserves. We are well below our performance last year for integrated pest and weed control on high value biodiversity sites. This is because we spent the year planning for our animal pest control programmes. Our Annual Plan 2016/17 includes a focus on our biodiversity strategy and action plan. We expect to significantly exceed our biodiversity target in 2016/17.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
The percentage of high value biodiversity sites covered by integrated animal pest control or weed control	52% 	55%
		2014/15 PERFORMANCE
		67%

Source: WCC Parks and Recreation

We also enhanced Wellington's biodiversity through our Otari-Wilton's Bush staff plant collections trip to Marlborough as noted above.

Our first livestream video of wildlife - KakaCam - had massive engagement with over 65,000 views, and a total viewing time of 2.5 years - averaging 21 minutes per view. You can check out the highlights here:
<http://wellington.govt.nz/services/environment-and-waste/environment/biodiversity/kaka-cam>.

OUR PERFORMANCE

The quality of our open spaces: We had a successful year in our newly branded Wellington Gardens with well attended events at both the Botanic Gardens and Otari-Wilton's Bush. We didn't meet our target for the number of residents who were satisfied with the quality and maintenance of our natural environment. Our performance on this measure was lower than last year, and this will be an area of focus in the future.

The quality of street cleaning services: Resident's satisfaction with the quality of street cleaning was higher than last year but below our target. While reported satisfaction did not meet our target, this was not reflected in an increase in complaints.

The quality and quantity of work we undertake to protect biodiversity: With the loss of our project partner, Greater Wellington Regional Council, we were behind our target for planting two million trees by 2020. With our new partners we are now on track to achieve this target. We spent the year planning animal pest control programmes, and expect to significantly exceed this biodiversity target in 2016/17.

The success of our investments in conservation attractions: Visitor numbers at the Zoo and Zealandia continue to grow, with a significant increase in visitors at Zealandia.

Further detail can be found in the section titled 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.1.1 Local Parks and Open Spaces ¹				
Expenditure	7,851	8,756	905	8,497
Revenue	(501)	(415)	86	(608)
Net Expenditure	7,350	8,341	991	7,889
2.1.2 Botanical Gardens				
Expenditure	4,852	4,752	(100)	4,883
Revenue	(408)	(387)	21	(417)
Net Expenditure	4,444	4,365	(79)	4,466
2.1.3 Beaches and Coast Operations ²				
Expenditure	1,023	1,409	386	996
Revenue	(53)	(51)	2	(50)
Net Expenditure	970	1,358	388	946
2.1.4 Roads open spaces				
Expenditure	8,044	8,147	103	8,204
Revenue	(634)	(695)	(61)	(614)
Net Expenditure	7,410	7,452	42	7,590
2.1.5 Town belts ³				
Expenditure	4,491	4,665	174	4,283
Revenue	(358)	(250)	108	(1,425)
Net Expenditure	4,133	4,415	282	2,858
2.1.6 Community environmental initiatives				
Expenditure	739	743	4	634
Revenue	(18)	-	18	(1)
Net Expenditure	721	743	22	633
2.1.7 Walkways				
Expenditure	532	582	50	569
Revenue	-	-	-	-
Net Expenditure	532	582	50	569
2.1.8 Biodiversity (pest management)				
Expenditure	1,673	1,704	31	1,663
Revenue	(32)	(38)	(6)	(76)
Net Expenditure	1,641	1,666	25	1,587

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.1.9 Waterfront Public Space ⁴				
Expenditure	5,404	1,737	(3,667)	7,726
Revenue	(6,325)	(301)	6,024	(6,932)
Net Revenue	(921)	1,436	2,357	794

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
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2.1.1 Local Parks and Open Spaces ⁵				
Expenditure	1,368	1,089	(279)	1,116
Unspent portion of budget to be carried forward	N/A	702	-	N/A

2.1.2 Botanical Gardens				
Expenditure	405	405	-	681
Unspent portion of budget to be carried forward	N/A	28	-	N/A

2.1.3 Beaches and Coast Operations				
Expenditure	242	227	(15)	613
Unspent portion of budget to be carried forward	-	-	-	-

2.1.5 Town belts ⁶				
Expenditure	197	115	(82)	106
Unspent portion of budget to be carried forward	N/A	20	-	N/A

2.1.7 Walkways				
Expenditure	565	550	(15)	624
Unspent portion of budget to be carried forward	N/A	-	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- Under budget due to savings in depreciation on park buildings.
- Under budget mainly as grant funding for the Lyall Bay Surf Club was not paid as the club is still fundraising for their new building.
- Under budget due to unbudgeted vested asset revenue and savings in interest costs.
- Under budget due to favourable revaluation of waterfront property.
- Under budget due to the timing of spend on the Children's Garden project at the Botanic Gardens.
- Over budget due to unbudgeted spend on landscaping works at the halfway house which were funded through monies received from the electricity industry for use of Council land.

2.2

Waste reduction and energy conservation

Whakaiti para, hangarua me te pena punga

Sustainability is about meeting our needs now without burdening future generations

WHAT WE DO AND WHY

A sustainable city uses resources efficiently, re-uses or recycles them, and only commits them to landfills as a last resort. Sustainability is about reducing the amount of energy we use and using clean energy from renewable sources. It is also about promoting a culture that values the environment and encourages pro-environment behaviour of everyone who lives, works or plays there.

We manage and monitor:

- Landfill operations including composting waste at the Southern Landfill
- Domestic recycling and rubbish collection
- The environmental impacts of closed landfills
- Programmes to educate residents to manage and minimise waste effectively
- Energy efficiency and conservation
- Greenhouse gas emissions


Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none"> • Collaboration between the Council and the community to reduce waste, and increase recycling, promotes community ownership of the sustainable management of the environment
Eco-city	<ul style="list-style-type: none"> • Reduced waste, increased waste recycling, and organic composting, minimises the use of landfills and promotes sustainable management of the environment


OUR KEY ACHIEVEMENTS

We collaborated with the community to reduce waste, and increase recycling, to promote community ownership of sustainable management of the environment

To reduce waste and increase recycling we developed an Event Recycling Guide for recycling at public events. We also now provide 15 event recycling bins (and hoods) that are available for free at public events. These bins will help reduce the cost of recycling services at public events and use the national recycling colours: yellow for recycling, red for landfill, green for organics and blue for glass. Already used at a series of Island Bay events, feedback from residents and event organisers was positive.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents satisfied with recycling services	84% 	85%
		2014/15 PERFORMANCE
		86%

Source: WCC Residents' Monitoring Survey

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents satisfied with waste collection services	85% 	90%
		2014/15 PERFORMANCE
		85%


Source: WCC Residents' Monitoring Survey

We reduced waste, increased waste recycling and organic composting, to minimise the use of landfills and promote sustainable management of the environment

We transferred our successful seed-funded 'start-up' Kai to Compost Food Waste Collection Service to EnviroWaste. This allowed us to better meet the increasing demand for food waste diversion, and extended collection boundaries to Porirua, Upper Hutt, and beyond. Since the transfer of ownership in December 2015, our Composting Operations experienced a 10% increase in the volume of food waste.

Food waste collected from businesses in our city continues to be processed through our Capital Compost operation, at the Southern Landfill, with EnviroWaste paying disposal fees. To assist the commercialisation of the above 'start-up', EnviroWaste will be subsidised through to 2017 provided they meet food waste volume targets.

To minimise waste, our Waste Minimisation Seed Fund offers funding of up to \$70,000 per year. The fund supports residents becoming leaders in the development of innovative solutions for reducing waste volumes in landfills. The fund targets priority waste streams, reduction in harm to the environment, and improved efficiency of resource use. It does this by supporting new initiatives that complement and enhance existing programmes or address gaps or opportunities. Over the year funding was approved for six medium/ large scale projects including Wellington Hospital and Cuba Street waste audits, the NZ Post corporate uniform end-of-life initiative, the Newtown and Island Bay Festivals, and CupaDupa. Funding was also approved for smaller projects including a play centre compost system, development of a website by a high school to encourage reuse of unwanted local construction waste, and an educational compost programme for early childhood schools. The fund comes from landfill levies collected by the Ministry for the Environment and is consistent with Wellington's Waste Management and Minimisation Plan (2011-2017).

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Waste diverted from landfill	17,431 tonnes 	16,500
		2014/15 PERFORMANCE 18,048

Source: WCC Waste Operations

To reduce food waste we continued to work with councils in the region on a programme developed under the regional Waste Education Strategy - the Love Food Hate Waste Prevention programme. The programme focuses on food waste, an area considered by all councils as important to manage. Launched on 1 June 2016, the 3-year programme aims to educate households about how to reduce food waste, save money, and have fun at the same time. The project is funded by Councils and the Ministry for the Environment.

Did you know?

On average Kiwi families throw out \$560 of avoidable food waste every year, totalling \$872 m nationally! Every year 20 million loaves of bread are thrown out by households alone! Find out more at LoveFoodHateWaste.co.nz

We focussed on energy efficiency for households and businesses to reduce costs and greenhouse emissions

We launched the 'Wellington 2050 Energy Calculator' and are the first city in New Zealand and the second city in the world, following Beijing, to launch one. The calculator allows Wellingtonians to explore how energy and transport choices will shape the city's carbon footprint, and inform the update of our Climate Change Action Plan.

We contributed to the warmth, health, and energy efficiency of Wellington homes through 'Warm up Wellington' - a partnership (with Capital and Coast DHB, Energy Efficiency and Conservation Authority (EECA), Hutt Mana Charitable Trust, and the Sustainability Trust) that supplements the Government's Warm Up New Zealand home insulation scheme. Over the year, 'Warm Up Wellington' insulated 167 homes in Wellington City. Our Wellington Home Energy Saver scheme provides homeowners with free home energy assessments, a comprehensive report on the energy performance of their home, and a list of personalised recommendations and discounts on a range of energy efficiency products. We carried out 603 home energy assessments over the year, and in response home occupants accessed \$11,283.13 in subsidies through 262 energy efficient products.

We launched the 'Smart Buildings Challenge to assist commercial building owners to manage and reduce their energy use. The Challenge, a partnership with EECA, Microsoft, and the Energy Management Association of New Zealand, aims to significantly reduce energy consumption in Wellington's commercial building sector. It does this by harnessing the collective commitment of Wellington's building owners to reduce costs and increase sustainability performance. The Challenge supports the goal of achieving a minimum 10% reduction in energy use (electricity and gas) and we achieved NABERSNZ certification over the course of the challenge. We entered our Central Library Building into the challenge. The Challenge exceeded expectations in terms of the total floor area of the buildings involved and market penetration but did not meet its target of signing up 25 buildings. Twenty buildings signed up over the course of the year with one pulling out when it was sold. We therefore decided to focus on the buildings already in the challenge before bringing more on-board.

We continued to help Wellington schools access solar array systems to reduce their energy bills and educate students about renewable energy. We completed our 16th SchoolGen school solar installation in partnership with Genesis Energy during the year.

We developed partnerships and encouraged policies for renewable energy

We ran a Low Carbon Challenge that brought together Wellington's innovators to develop initiatives to reduce emissions. Formally known as the Smart Energy challenge, a record 13 applications were made, and six teams selected to continue through to the incubator programme. Three of these six teams will qualify for match-funding of \$15,000 from us.

We achieved Certified Emissions Management and Reduction Scheme (CEMARS) accreditation. This means we can have confidence that the data we collect is accurate and comprehensive and a precise measure of how we are performing. We can now start to measure our energy and emissions reduction progress against our 2015/16 audit or 'baseline year' and make more informed decisions about our work programmes. We are the third council in New Zealand to have attained CEMARS accreditation after Kapiti Coast and Dunedin City.

We consulted on and produced the Low Carbon Capital Plan 2016-2018 which contains three pillars of action; greening Wellington's growth, changing the way we move, and leading by example. The plan sets new interim targets for the City and our corporate greenhouse gas emissions. The targets are based on newly developed Wellington specific tools and data. The target retains the 2050 target of an 80% reduction in emissions for both Wellington City and Wellington City Council.

Internationally, cities have emerged as major players in climate change mitigation and adaptation efforts. We are keen to learn from best international practice and over the year were accepted into the C40's international 'Compact of Mayors' pledge to reduce city-wide greenhouse gas emissions. The Compact of Mayors is the world's largest cooperative effort among Mayors and city leaders to share information and experiences in order to reduce emissions, track progress and prepare for the impacts of climate change. Our acceptance into the Rockefeller Foundations 100 Resilient Cities (100RC) programme, and our appointment of a Chief Resilience Officer, are also significant events. Adapting to cope with the effects of climate change is a key area of focus for the Resilience Strategy.

Did you know?

In conjunction with Greater Wellington Regional Council, we updated the Wellington City and Region Community Scale Greenhouse Gas Inventory 2000/01 to 2014/15. The results show that between 2000/01 and 2014/15 the gross greenhouse gas emissions generated within Wellington City, or as a result of activity within the area, have reduced by 2.1 % and our net emissions by 1.9 %.

OUR PERFORMANCE

The quality of waste reduction and recycling services: There was a significant improvement, from last year, in the percentage of residents who regularly recycle, and we exceeded the target we set for the year. We exceeded our target for the amount of waste diverted from the landfill, but this figure is lower than last year.

The quality of our waste disposal services: Our residents' satisfaction with waste collection services was the same as last year but below our target. Energy sourced from the Southern Landfill was slightly more than last year but also below our target. There are many possible reasons for this including a drop in general waste going to landfill, a higher proportion of food waste being diverted from landfill and lower levels of rainfall.

The quantity of our energy consumption and emissions: There has been an increase in our corporate energy use around our swimming pools to reflect the increased size of the Keith Spry Pool and re-opening of Tawa pool. However overall there has been a decrease in our energy consumption.

Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.2.1 Waste minimisation, disposal and recycling management ¹				
Expenditure	12,869	12,836	(33)	12,663
Revenue	(14,309)	(12,829)	1,480	(13,308)
Net Revenue	(1,440)	7	1,447	(645)
2.2.2 Closed landfills aftercare				
Expenditure	477	522	45	368
Revenue	-	-	-	-
Net Expenditure	477	522	45	368
2.2.3 Energy efficiency and conservation				
Expenditure	315	282	(33)	-
Revenue	(82)	(46)	36	-
Net Expenditure	233	236	3	-

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
2.2.1 Waste minimisation, disposal and recycling management ²				
Expenditure	723	753	30	781
Unspent portion of budget to be carried forward	N/A	545	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Under budget due to higher landfill fees through high contaminated soil and special waste volumes, higher than budgeted sales of yellow rubbish bags and favourable sales from recyclable materials.
- 2 Under budget due to delays in Stage 4 of the Southern Landfill improvements. Currently in the design phase.

Our 3 waters - water, wastewater and stormwater

We contract Wellington Water Ltd - to manage our water and drainage assets. They are tasked to deliver clean and safe drinking water, collection, disposal and treatment of wastewater and a collection and disposal of stormwater.

Water Supply

ASSET DESCRIPTIONS	LENGTH (M) / QUANTITY (NO)
Pipes	1,188,140
Pump stations	33
Reservoirs	69
Valves	30,270
Service valves (incl.FIRE)	52,516
Hydrants	8,048

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

WELLINGTON WATER LTD:

Was established in 2014, through a merger between Greater Wellington Regional Council Water Supply Group and Capacity Infrastructure Services (who were originally owned by Hutt, and Wellington City Councils). The five local authorities are joint and equal owners, with each local authority owning its respective water, stormwater and wastewater assets, and in control of the level and standard of services provided to customers. The services provided include provision of high quality, safe and environmentally sustainable services, contracted service delivery and asset management planning.

Relevant Council outcomes:

People-centred city	A reliable and adequate supply of clean and safe water is crucial for the health, well-being and prosperity of all residents
Connected-city	A reliable and adequate supply of clean and safe water is a core requirement of a 21st century connected city

Key activities:

- Ensuring high quality water is available at all times for drinking and other household and business uses
- Maintaining 80 reservoirs, 34 pumping stations, 8,000 hydrants and 1,250 kilometers of pipes

Key achievements

We continued work providing a reliable and adequate supply of clean and safe water which is crucial for the health, wellbeing and prosperity of all residents

- We renewed approximately 9 kilometers of water pipes in Tawa, Johnsonville, Khandallah, Karori, Crofton Downs and Northland. These renewals help us improve the reliability of the network by reducing service outages. We have completed all forward designs for our 2016/17 renewals and upgrade programmes, and tendered out a significant amount of renewal and upgrade works
- Our new 2200m³ Melrose reservoir was completed. Replacing an existing reservoir, this new reservoir improves water availability and our seismic resilience
- We completed seismic upgrades at the Linden Reservoir and Lyndhurst pump stations. These upgrades improve the resilience of the network. Work also started on upgrading the Huntingdon Street pump station
- We awarded a tender for seismic strengthening on the Tawa Reservoir, with construction starting in the 2016/17 year. The reservoir is being strengthened to improve water retention after a significant seismic event
- Other emergency preparedness includes: designing auto-shut valves for the Granada and Mt Kaukau reservoirs, and installation of three new 25,000 litre emergency water tanks. There are now 38 emergency water tanks at 35 locations in suburbs around Wellington
- We started upgrading 640 meters of water mains in Cecil Road, Wadestown in order to meet firefighting standards. This work will be completed in 2016/17

We continued work providing a reliable and adequate supply of clean and safe water - a core requirement of a 21st century connected city

- In 2015 we worked on a business case for water supply resilience. The process involved: developing and agreeing investment objectives, establishing levels of service, developing and assessing options (in consultation with stakeholders), and identifying possible projects. The purpose of the business case is to confirm the concept and develop high level cost estimates for an investment plan
- At the same time we set up a regional resilience group which includes the NZTA, Wellington Water Ltd, Fire Service and Wellington Electricity. This group is developing a cross-infrastructure resilience investment story. We are also talking with critical customers who will require special attention or will assist others in recovering from a large event in Wellington

Performance

We continue to fully comply with New Zealand drinking water standards (and its monitoring regime) and maintain the water supply quality gradings from the Ministry of Health. The quality of our potable water is monitored for indicators of contamination and chlorinated to reduce the risk. There are procedures in place to ensure the quality of water supplied and to deal with any quality issues. Contractors who work on the network also have quality control procedures to reduce the risk of contamination. The percentage of real water loss from our reticulated network continued to be below our target. Our response time for urgent and non-urgent call outs indicated customers are being well looked after. We received 8822 urgent and non-urgent requests over the year, compared to 8553 the year before. There were a low number of unplanned supply cuts in the network. Our customers were satisfied with our service with their satisfactions levels above our target. These measures can be found in the section ‘Measuring our Performance’.

Source: Wellington Water Ltd

FINANCES

How it was funded

Services in this activity are funded through targeted rates.

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.3.1 Water Network¹				
Expenditure	23,511	23,393	(118)	22,798
Revenue	(1,709)	(35)	1,674	(1,012)
Net Expenditure	21,802	23,358	1,556	21,786
2.3.2 Water Collection and Treatment				
Expenditure	14,922	14,932	10	14,318
Revenue	(3)	-	3	(3)
Net Expenditure	14,919	14,932	13	14,315

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
2.3.1 Water Network²				
Expenditure	14,927	15,752	825	13,266
Unspent portion of budget to be carried forward	N/A	-	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

1 Under budget due to savings in depreciation and the acquisition of water assets vested to Council.

2 Under budget due to delays across the work programme including the Cecil Road watermain where the proposed contractor was not available as scheduled.

Case study

Melrose reservoir increases city's resilience

In May 2016, the valve was opened on a new, seismically resilient reservoir serving the suburb of Melrose.

The reservoir cost \$3.5 million and took 16 months to build. It holds 2.2 million litres of water, making it two and a half times bigger than its 1910 predecessor. Construction involved demolishing the old reservoir; excavating about 1500 cubic metres of earth; and installing underfloor drainage, the reinforced concrete floor slab and walls, and a pre-cast concrete roof. The reservoir is buried to minimise its impact on the landscape.

Melrose reservoir increases the amount of the city's water supply held in seismically-strengthened reservoirs to almost 70%. More than 80% of those reservoirs have automatic shut-off valves, meaning they won't empty if the water network gets damaged. This is all part of an ongoing programme to make Wellington's water storage facilities and supply network stronger, safer and better able to meet the needs of a growing population.

MELROSE RESERVOIR BY THE NUMBERS:

- 16 months' construction
- \$3.5 million
- 25 metres long, 17 metres wide and 7 metres deep
- Built to withstand a one-in-1000 year earthquake
- Holds 2.2 million litres - two and a half times bigger than the reservoir it replaced



2.4

Wastewater Parawai

Maintaining public health and safety and is essential to the city's environmental wellbeing

Relevant Council outcomes:

People-centred city

A safe and reliable wastewater network and treatment facility provides protection against public health risks

Eco-city

A safe and reliable wastewater network and treatment facility provides protection against environmental harm

Key activities

- The city's sewage collection, treatment and disposal is in line with resource consent conditions

Key achievements

We continued to work to ensure a safe and reliable wastewater network and treatment facility protects against public health risks

- We replaced damaged wastewater and stormwater pipes in Cuba Street. Work to replace damaged wastewater and stormwater pipes in Molesworth Street was delayed by contaminated ground, however we are back on track and making good progress towards completion in 2016/17
- We renewed four wastewater pump stations in Chaffers Street, Ferry Street, Boscobel Lane and Wakefield Road, improving their reliability
- Our programme to investigate and evaluate inflow and infiltration reduction in the Trelissick Park (Kaiwharawhara) catchment continued. Over the year we surveyed approximately 1088 properties, and finalised their reports. Inflow and infiltration reduction investigations will continue in 2016/17 focusing on Karori and Tawa
- Pollution investigations have been on-going in seven catchments that exceeded water quality thresholds. These investigations identified faults that were remedied, resulting in minor improvements in water quality in certain catchments

We continued to ensure we have a safe and reliable wastewater network and treatment facility that provides protection against environmental harm

- We renewed 4.3 kilometres of wastewater pipes in Brooklyn, Island Bay, Karori, Kelburn, Khandallah, Lyall Bay, Miramar, Mt Cook, Mt Victoria, Ngaio, Te Aro, Vogeltown and Wadestown. These renewals reduce sewage leaking into the stormwater system and prevents discharges of sewerage into streams and the sea. We achieved a reduction in bypass discharges from Moa Point WWTP in 2015/16

Performance

Our wastewater network was of a high quality with few reticulation incidents and our response time was well within our targets. In relation to our response times we received 904 service requests compared to 1095 last year. The majority of our customers were satisfied with our service and we exceeded our target. We are working on capacity and demand issues across the network to help identify dry weather wastewater overflows. These measures can be found in the section 'Measuring our Performance'.

Source: Wellington Water Ltd

FINANCES

How it was funded

Services in this activity are funded through a mixture of general and targeted rates.

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.4.1 Sewage collection and disposal network¹				
Expenditure	18,833	19,157	324	19,348
Revenue	(1,911)	(615)	1,296	(986)
Net Expenditure	16,922	18,542	1,620	18,362
2.4.2 Sewage treatment²				
Expenditure	22,599	22,654	55	21,333
Revenue	(1,583)	(618)	965	(1,833)
Net Expenditure	21,016	22,036	1,020	19,500

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
2.4.1 Sewage collection and disposal network³				
Expenditure	10,872	10,480	(392)	7,959
Unspent portion of budget to be carried forward	N/A	-	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Under budget due to reduced unplanned maintenance following a drier than usual year and the acquisition of waste water assets vested to Council.
- 2 Under budget due to savings in Wastewater treatment plant costs owing to lower flows and management fees.
- 3 Over budget due to additional labour costs and an early completion of the Jackson Street waste water renewal.

2.5

Stormwater Wai-ua

The stormwater network keeps people and property safe from flooding

Wellington Water Ltd manages the following assets

Stormwater

ASSET DESCRIPTIONS	LENGTH (M) / QUANTITY (NO)
Pipes	795,046
Manholes	19,380
Pump stations	2
Tunnels	3,083

RELEVANT COUNCIL OUTCOMES

People-centred city

A safe and reliable stormwater network, and effective maintenance and operation programmes, prevents avoidable disruptions to community living, minimises risk of injury and damage to property from stormwater

Connected-city

A safe and reliable stormwater network, and effective maintenance and operation programmes, reduces the risk of avoidable surface flooding and environmental damage that may affect transport routes

Key activities

- The maintenance, renewal and upgrade of the stormwater network to protect from flooding

Key achievements

We continued to work on a safe and reliable stormwater network, and effective maintenance and operation programmes, to prevent avoidable disruptions to community living, minimises risk of injury and damage to property from stormwater

- We carried out a number of urgent replacements this year including Porritt Avenue where we upgraded a brick culvert located under several properties. Several Karori Stream bridge crossings were also upgraded to align with the latest building code standards
- We continued to develop Integrated Catchment Management Plans (ICMPs) for five catchment areas, based on the effects of flooding and contamination on the catchment's coastal environment. These plans are prepared as condition of resource consent. We made progress on one of these five plans - the Lambton Harbour catchment plan. The aims of Lambton Harbour ICMP are to: prepare detailed management plans to meet the levels of service required for the city's stormwater activities, identify management options to minimise catchment issues, and identify remedial methods for issues identified

We continued to work on a safe and reliable stormwater network, and effective maintenance and operation programmes, to reduce the risk of avoidable surface flooding and environmental damage that may affect transport routes

- We renewed approximately 750 meters of stormwater pipes, these renewals improved the reliability of the network by reducing service outages and flooding
- We completed detailed investigations and design for the upcoming repair of a steel culvert located under 15 meters of fill in South Karori. Repair work on this culvert will be completed in the 2016/17
- We progressed design options for the repair of Council drains lost in the land slip at Breton Grove, Kingston. We are continuing to work with residents to provide a mutually agreeable solution

Performance

We had few stormwater pipeline blockages and our network performed better than target. Customer satisfaction with stormwater management declined. Our monitored beaches and sites were clean and suitable for recreation use. In terms of our response times we received 1518 requests over the year compared to 1240 last year. We maintained resource consent compliance. These measures can be found in the section 'Measuring our Performance'.

Source: Wellington Water Ltd

Did you know?

We, along with Wellington Water Ltd, Te Runanga Toa Rangatira and the community are part of GWRC Te Awarua o Porirua Whaitua process. The Whaitua Committee is responsible for developing a Whaitua Implementation Programme (WIP) which will outline regulatory and non-regulatory proposals for integrating the management of land-development and urban-water-cycle-services at a catchment level. Wellington Water Ltd has undertaken a high level review of the stormwater, wastewater and water supply networks to assess their potential to support proposed growth and intensification within the catchment. Issues have been identified that could restrict urban development and result in further contamination of aquatic environments. A master plan for upgrade of the drainage infrastructure is being developed by Wellington Water Ltd. While the upgrade costs are likely to be significant it is recognised as being essential to support the growth agenda of both Wellington and Porirua City, as well as helping realise the values of Te Awarua-o-Porirua.

In 2012 we, Porirua City Council, GWRC, Te Runanga Toa Rangatira and other key agencies with interests in Porirua Harbour (and catchment) adopted the Te Awarua-o-Porirua Harbour and Catchment Strategy and Action Plan. Te Awarua-o-Porirua (Porirua Harbour) is currently exposed to a range of existing impacts from urban activity, which result in damage to the environment. Without mitigation, future development has potential to hasten this current degradation. This on-going partnership aims to reduce sediment, reduce pollutants and restore the ecology of Porirua harbour.

FINANCES

How it was funded

Services in this activity are funded through a mixture of general and targeted rates.

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.5.1 Stormwater management ¹				
Expenditure	16,936	17,587	651	16,526
Revenue	(3,137)	(146)	2,991	(922)
Net Expenditure	13,799	17,441	3,642	15,604

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
2.5.1 Stormwater management ²				
Expenditure	4,877	5,055	178	4,821
Unspent portion of budget to be carried forward	N/A	600	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Under budget due to lower interest and sump cleaning costs as well as the acquisition of stormwater assets vested to Council.
- 2 Under budget due to delays in the work programme. A \$0.600m carry forward to 2016/17 will be requested for the uncompleted Molesworth Street project.

Did you know?

We have created a post-event response team which is expected to provide improved customer service after an unexpected event such as a flood. This multi-skilled team is drawn from across the business and depends on information from our client councils and other sources to determine the best response for our customers.

2.6

Conservation attractions

Ngā painga kukume Papa Atawha

Nature is one of Wellington's biggest attractions

WELLINGTON ZOO TRUST

Established in 2003 the Trust manages the Zoo's assets and operations for the benefit of residents and visitors.

Relevant Council outcomes

People-centred city

Facilities such as Wellington Zoo play important conservation roles protecting native and exotic flora and fauna

Eco-city

These are activities that inform and educate residents and visitors about conservation. They tell a story about our past, our special wildlife and native and exotic flora and fauna

Key activities

The Zoo Trust:

- Develops, manages and plans animal species management programmes
- Promotes species conservation
- Acquires additional plant and animal species
- Supports and complements the conservation and learning activities undertaken by other organisations
- Promotes and coordinates the raising of funds to assist the management, administration, maintenance, planning, promotion and further development of Wellington Zoo
- Manages, administers, plans, develops, maintains, operates and promotes Wellington Zoo as a zoological park for the benefit of the Wellington community and as an attraction for visitors to Wellington
- Educates the community by building an awareness of plant and animal species and the actions required to promote conservation

Key achievements

Facilities such as Wellington Zoo play important conservation roles protecting native and exotic flora and fauna

- *Saving animals in the wild:* the Zoo supports nine field conservation projects locally and globally for endangered or critically endangered species. It provides 5.68% of its operational funding directly to field conservation (the international zoo benchmark is currently 3%)

These are activities that inform and educate residents and visitors about conservation. They tell a story about our past, our special wildlife and native and exotic flora and fauna

- *Connecting people with animals:* A record number of people visited the Zoo during the year. There were 11,413 school visits and 3,677 people had 'animal close encounters' experiences with Zoo animals
- *Leading the way:* the Zoo maintained its carboNZero certification and achieved Zoo Aquarium Association Australasia Animal Welfare Accreditation
- *People love and support the Zoo:* the Zoo achieved 92% of its annual targets and enhanced its volunteer programme this year

Performance Information

The Zoo achieved its admission targets for the year and numbers are above last years. This measure can be found in the section 'Measuring our Performance'.

Source: Wellington Zoo Trust

COUNCIL CONTROLLED ORGANISATION - ZEALANDIA

We contracted Zealandia, to manage the Karori Sanctuary

Zealandia

The Karori Sanctuary Trust (trading as Zealandia) is an incorporated society, a charitable trust, and a not-for profit organisation. Zealandia is a community-driven eco-restoration project, education facility, and visitor attraction. The 225 hectare sanctuary is 10 minutes drive from central Wellington, and is the world's first fully-fenced urban eco-sanctuary. Zealandia is a safe haven for some of New Zealand's rarest native animals.

Relevant Council outcomes

People-centred city

Facilities such as Zealandia play important conservation roles protecting native and exotic flora and fauna¹²

Eco-city

These are activities that inform and educate residents and visitors about conservation. They tell a story about our past, our special wildlife and native and exotic flora and fauna

Key activities

The Trust

- Carries out education and research into all matters pertaining to the conservation and restoration of New Zealand's natural heritage and in particular to restore representative examples of New Zealand's natural heritage
- Establishes and maintains a secure native wildlife sanctuary in the Karori Reservoir
- Restores the reservoir area ecosystem as closely as practicable to its presumed pre-human state but allowing for construction of specific habitats to enhance its diversity and conservation values
- Provides facilities for recreation and tourism activities
- Seeks and fosters community support and participation
- Manages and manipulates such ecosystems as may be necessary to maintain requisite populations

¹² Zealandia eliminates as many exocitic flora and fauna species as it can from the sanctuary to ensure exotic trespassers don't compromise the native sanctuary.

Key achievements

Facilities such as Zealandia play important conservation roles protecting native and exotic flora and fauna

- The first translocation in 5 years was completed in February 2016 with the reintroduction of Spotted Skink back to the valley

These are activities that inform and educate residents and visitors about conservation. They tell a story about our past, our special wildlife and native and exotic flora and fauna

- Sirocco the ambassador kakapo visited for 6 weeks, generating local, national, and international promotion and media coverage
- The Trust celebrated the sanctuary's 20th Anniversary since its establishment in 1995 and welcomed 125,849 visitors for the year to 30 June 2016

Performance Information

- Zealandia's visitation exceeded 100,000 for the first time in its history and there was also an increase in education visits

Source: Zealandia

FINANCES

How it was funded

Services in this activity are funded through general rates.

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
2.6.1 Conservation visitor attractions				
Expenditure	6,384	6,459	75	6,104
Revenue	-	-	-	-
Net Expenditure	6,384	6,459	75	6,104

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
2.6.1 Conservation visitor attractions				
Expenditure	2,725	2,659	(66)	2,677
Unspent portion of budget to be carried forward	N/A	140	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

ENVIRONMENT - OVERALL SUMMARY

Generally speaking we carried out the activities planned for this activity area in year one of the LTP. Our capital works programmes experienced delays, some of which were a result of events beyond our control. We had a number of successes with our water, wastewater and stormwater services. These successes are reflected in our water and wastewater customer satisfaction ratings and the improved ratings of monitored beaches used for recreation. The Zoo and Zealandia continue to be successful. In many areas, progress has been made through our activities in this area to the achievement of our outcomes.

3

Economic Development Whanaketanga ōhanga

Promoting the city's competitive advantages in order to enhance the quality of life

BY THE NUMBERS

2.1%

Wellington City average annual GDP growth which compares to 1.9% nationwide.¹³

\$36.5m

Contribution to Wellington's economy during 2015/16 from major events supported by Council. This compares to \$29.9 m in 2014/15.¹⁵

7

Major event venues that are just 5 minutes' walk apart.¹⁴

¹³ WCC - Wellington City Profile - Key facts about the city

¹⁴ WCC - Wellington City Profile - Key facts about the city

¹⁵ WCC City Events - WREDA

ECONOMIC DEVELOPMENT - AT A GLANCE

Outcomes	Connected-city	People-centred city	Eco-city	Dynamic-city
Relevant LTP objectives	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure; and</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement.</p>			
LTP key activities	City promotions and business support.			
Relevant LTP projects	Investing for growth; Longer airport runway; Central city tech hub; Film and screen productions; and Joined-up regional approach.			
Operational expenditure	Operational expenditure (as per financial summary).			

We attract and support business activity, market Wellington to tourists from New Zealand and overseas, and own and operate performance venues and conference facilities either through WREDA or in partnership with WREDA. Working with others we also promote business, education and cultural links through sister city relationships, and provide free weekend parking in the CBD.

We fund these activities to attract and retain talent, grow the tourism spend and economic returns from events, and increase inward investment and exports.

These activities make Wellington a more vibrant place to live and improve residents’ quality of life, prosperity, identity and the opportunities available to them.

Case study

Collider

A technology hub for Wellington was one of our “8 Big Ideas”, and the business case was endorsed by our Economic Growth and Arts Committee in April 2015. Collider was officially launched by Prime Minister John Key in November 2015.

Collider is a partnership between Wellington City Council and BizDojo. It consists of BizDojo’s co-working space at 115 Tory Street, and Collider’s programme of activities. The Council’s contribution towards the tech hub will be up to \$3.2 million over 3 years, and will be used to fund the non-commercial elements of the tech hub.

The tech hub was established to connect high-tech, rapid-growth ventures, investors, social enterprises, international visitors, tertiary institutions, government and established businesses working on new ideas. It is a place for Wellington’s innovative businesses in the tech sector to call home - whether through locating or showcasing their business there, attending or hosting events, or seeking resources and support to help their businesses be more successful.

Partnerships in relation to the hub have now been formalised between BizDojo and CreativeHQ, Xero, Deloitte and various other service providers. For example, the StepUp Mentorship Programme was launched in March as a collaborative venture between BizDojo and Xero to provide guidance around growth to a number of small businesses in Wellington.

Events and programmes held have included international speakers such as Adriana Gascoigne (CEO, Girls in Tech), Tristan Pollock (named in the 2015 Forbes 30-under-30 list and a Silicon Valley based co-founder and entrepreneur), Anthony McGuire (Head of Global Partnerships at Facebook), and Savannah Peterson (named in this year’s Forbes 30-under-30 list).



3.1

City promotions and business support

Ngā whakatairanga tāone me ngā āwhina pakihī

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

WHAT WE DO AND WHY

Wellington's economic prosperity is closely linked to residents' quality of life. Prosperity provides the resources for businesses, the Council, and individuals, to contribute to the vibrancy of the city and invest in its future development.

Our promotions and business support activities are closely linked to WREDA's work. Working with other institutions in the region ensures that we use our resources effectively.

Our activities include:

- Tourism promotion (WREDA)
- Events attraction and support
- Performance and convention venues (WREDA)
- Retail support (free weekend parking)
- Regional and external relations
- Grants and creative workforce
- Attracting businesses and talent to Wellington (in partnership with WREDA)
- Sustaining city vibrancy

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Promotion of the city as an attractive place to live and do business, works to attract talent to the city and attract tens of thousands of visitors to the city every year (WREDA)• The City Growth Fund and economic grants support the attraction and retention of talented people, and support the creative business sector in Wellington• Major projects (funding for possible implementation) will promote the city as an attractive place to do business and attract visitors to the city• International relations improve access to international markets and provide local businesses with new opportunities• Business Improvement Districts (BIDs) - vibrant suburban centres make Wellington an attractive place to live and help form a sense of community
Connected-city	<ul style="list-style-type: none">• Ensuring the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs (WREDA)• Major projects - improving direct access internationally will provide local businesses with new opportunities to access large markets
Dynamic-city	<ul style="list-style-type: none">• Attracting talent, investment, visitors and jobs will be critical to growing the economy and ensuring Wellington remains vibrant and retains its competitive advantage (WREDA)

OUR KEY ACHIEVEMENTS

Our partnership with WREDA - a CCO - strengthened over the year. With WREDA's new senior management team finalised prior to Christmas, our Major Events team transferred to WREDA in 2016.

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LTD (WREDA)

WREDA is the new regional economic development agency for the lower North Island, combining the economic development activities of Wellington City Council and Greater Wellington Regional Council to advance the prosperity and liveability of the Wellington region. WREDA brings together the functions and activities of the following agencies: Grow Wellington; Positively Wellington Tourism; Positively Wellington Venues and Wellington City Council major events.

Relevant Council outcomes:

People-centred city	Promotion of the city as an attractive place to live and do business, works to attract talent to the city and attract tens of thousands of visitors to the city every year
Connected-city	Ensuring the city has a presence internationally will be vital to attracting investment, talent, visitors and jobs
Dynamic-city	Attracting talent, investment, visitors and jobs will be critical to growing the economy and ensuring Wellington remains vibrant and retains its competitive advantage

Key activities

- WREDA attracts and supports business activity, markets Wellington to tourists from New Zealand and overseas, and owns and operates performance venues and conference facilities. Working with others WREDA promotes business, education and cultural links through sister city relationships, and provides free weekend parking in the CBD

Key achievements

We promoted the city as an attractive place to live and do business, that works to attract talent to the city and to attract tens of thousands of visitors to the city every year

- We celebrated our 150th anniversary of being New Zealand's capital with over 85,000 people visiting 40 institutions in our very successful open house weekend. Approximately 15,000 people attended a concert and spectacular projection mapping show at Parliament. During the year, WREDA undertook a number of marketing campaigns including supporting DreamWorks Animation, The Exhibition, the Royal Edinburgh Military Tattoo, New Zealand Festival, Wellington Sevens, and CubaDupa. A record number of conventions and events were held during October to December, including the Helloworld conference which attracted over 500 overseas delegates from the tourism industry. WREDA's venues also successfully hosted 64 events over a 24-day period for the New Zealand Festival (source). Visitor numbers were strong again this year and commercial guest nights grew by 6.4% and had their highest 12 months on record (surpassing Auckland, Waikato, Hawkes Bay, Canterbury and the national growth rates). International and domestic guest nights grew by 12%. This is up from five years ago and is now surpassed nationally only by Queenstown/Central Otago and summer holiday destinations

We ensured the city has a presence internationally which will be vital to attracting investment, talent, visitors and jobs

- A significant highlight during the year was the Royal Edinburgh Military Tattoo, at Westpac Stadium from 18-21 February. The Tattoo attracted an audience of approximately 85,000 over the four shows, with over 60% of the audience coming from outside the Wellington region. The direct out of region spend in Wellington was estimated at \$31.7 million, filling hotel beds across the region. We hosted major sporting events, including our first Super Rugby final and the All Blacks versus Wales test. Following on from the success of the ICC Cricket World Cup last year, we hosted a blockbuster summer of international cricket with the Black Caps taking on Pakistan in international T20 and One Day International (ODI) matches, and Australia in an ODI and a test match. The sold out match against Pakistan marked the return of ODI cricket to the Basin Reserve

- To retain our international presence we won the right to host future events, including a number of international rugby matches next year. New Zealand Rugby also confirmed that the Sevens will remain in Wellington for another 3 years. Other major events announced include Keith Urban and Carrie Underwood performing at Westpac Stadium in December 2016

We attracted talent, investment, visitors and jobs critical to growing the economy and ensuring Wellington remains vibrant and retains its competitive advantage


- The New Zealand Festival also celebrated its 30th anniversary between 26 February and 20 March, with 395 performances and seven world premieres. 95,000 tickets were sold for the Festival, with over 200,000 enjoying free non-ticketed events, including the Festival Playground
- International highlights included the sold out seasons of Café Muller / Rite of Spring and the Jazz at Lincoln Centre Orchestra. An estimated 19% of attendees were from outside the Wellington region and the direct out of region spend was estimated at \$32.1 million. We supported arts and cultural events that contributed to Wellington’s economy and created jobs. Beervana, Wellington on a Plate and LUX combined to attract record audiences to bring the city to life in August. The World of Wearable Art Season was again highly successful. Westpac Stadium hosted the Elton John and AC/DC concerts, attracting a combined audience of almost 60,000, with approximately 50% of the audience coming from outside of the region. CubaDupa returned over the weekend of 19-20 March, attracting tens of thousands to enjoy the immersive festival experience
- During the year WREDA won funding to run the R9 Accelerator Programme (a programme of work to improve central government and business working more effectively) and has funding approved for the Regional Business Partner programme

Performance Information

Attendance at WCC supported events exceeded our target and last year’s performance because of Capital 150 celebrations, Royal Edinburgh Military Tattoo, Elton John’s concert and New Zealand Festival. The improved ratio of direct spend to economic impact is a result of high profile and unbudgeted events that resulted in high levels of regional visitation and economic impact. These measures can be found in the section ‘Measuring our Performance’.

Source: WREDA

To ensure our residents and visitors are connected we continued our city’s CBDfree Wi-fi network. There has been a 161% increase in CBD logins.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Free Wi-Fi usage (logons/day) - waterfront and central city	CBD 17, 990,606 Waterfront 299,844 	N/A
		2014/15 PERFORMANCE
		6,816,785 142,366

Source: Citylink and Trademe

Through the City Growth Fund and economic grants we supported the attraction and retention of talented people, and supported the creative business sector in Wellington

The City Growth Fund completed its third year of funding events, partnerships, and initiatives to foster economic growth.

We supported a wide range of projects through the fund, including LUX, Wellington on a Plate, Venture Up, the Wellington Capital City 150th anniversary, the World War 1

Commemorations, Young Enterprise Trust (Wellington), Gillies McIndoe Research Institute research, Miramar Film Event Trust, the ICT Grad School, the Enspirial Open Source/Open Society event, the Helloworld conference, and the Collider tech hub programme.


The City Growth Fund fund also supported the second business accelerator for Youth Enterprise alumni (Venture Up), the Open Source/Open Society international conference, the establishment of the ICT Grad School in Wellington, and sponsored the Young Enterprise Trust’s Wellington presence.

Other beneficiaries to the fund include TEDxWellington, TEDxWellingtonWomen, Web Developers Conference of New Zealand, Multicore World, Webstock, and Summer of Tech. The first New Zealand based game developer’s conference Play by Play was held in Wellington this year and will be returning in 2017 on a larger scale.


We made progress on our major projects - improving direct access internationally will provide local businesses with new opportunities to access large markets

The consent application for a runway extension at Wellington Airport was lodged in April 2016. The resource

consent was informed by work undertaken by Wellington International Airport Ltd (WIAL), including a cost-benefit analysis by Sapere Research Group. The numbers for domestic and international passengers entering Wellington Airport continues to grow.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Number of domestic airline passengers entering Wellington Airport	4,899,000 	N/A
		2014/15 PERFORMANCE
		4,682,000

Source: Wellington International Airport Limited

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Number of international airline passengers entering Wellington Airport	897,000 	N/A
		2014/15 PERFORMANCE
		775,000

Source: Wellington International Airport Limited

We also continued to work with WIAL to develop international air connections. During the year, Singapore Airlines announced a new route, the 'Capital Express', connecting Wellington-Canberra-Singapore. Flights will start in September 2016, operating four times a week, providing Wellingtonians and visitors with the most efficient connection to Singapore.

We agreed in principle to support the building of a movie museum and a new purpose-built convention centre on Cable Street, opposite Te Papa. We also purchased the land for this development on Cable Street. We will partner with private interests to deliver this project. We consulted on the proposal in February/March 2016 and feedback was overwhelmingly positive. A report will go to the Council, with the final business case, requesting final approval for the convention centre and movie museum early in 2016/17. This proposal, if approved, will deliver two of our economic catalyst projects and provide significant economic benefit to the city.

We continued to strengthen international relations improving access to international markets and providing local businesses with new opportunities


We continued networking at an international level by hosting delegations and forums and cementing relationships. The first New Zealand-China Mayoral Forum, held in September 2015, was a significant milestone for our relationship with China. It resulted in strengthened civic and trade ties as well as promising deeper cultural understanding through programmes and exchanges. Led by Local Government New Zealand and hosted by the Chinese People's Association for Friendship with Foreign Countries, the forum focussed on trade and investment opportunities, in particular development

prospects for tourism, education and the primary industries of both countries. Mayor Wade-Brown led a delegation to Wellington's sister city, Xiamen (Fujian province) which included 12 New Zealand Mayors as well as over 50 business and education leaders. Joining them were 200 Chinese representatives including 13 of the country's mayors. Described as an immense success by all those involved, the forum is set to become a regular event with the second of its kind being held in Wellington in 2017.

During the forum, Mayor Wade-Brown officially opened a New Zealand section at the Seashine import Supermarket in Xiamen. The trade initiative was born from the Wellington - Xiamen sister city relationship and resulted in dozens of local New Zealand products including dairy, honey, fruit and meat on the shelves of one of Fujian's most popular supermarkets. This exposure has proven to be a great opportunity for local business owners to break the Chinese market and showcase quality New Zealand goods to foreign investors and consumers. Since opening, the company's demand for Kiwi goods has grown exponentially and Seashine executives make regular visits to the Wellington region and beyond to scout out new products to stock their shelves.

During the lead up to Anzac Day this year, the city leaders of Wellington and Çanakkale signed a Memorandum of Understanding (MOU) and became historical sister cities. It was the coast of Gallipoli and the wider region of Çanakkale where some of the fiercest fighting in New Zealand military history took place. Founded on a historic bond formed during the World War 1, the new MoU promises to promote peace by developing a relationship that focusses on commemoration and appreciation.

We agreed a sister-city relationship with Canberra, building on the forthcoming flights from Wellington to Singapore via Canberra.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Number of events/activities held with international cities	75 	N/A
		2014/15 PERFORMANCE
		72

Source: WCC International Relations

Using our Business Improvement Districts (BIDs) - we improved the vibrancy of our suburban centres making Wellington an attractive place to live and help form a sense of community

We continued to establish BIDs, which involves a local business community within a geographic area developing projects and services that support local economic development. Over the year, we helped to get the BID in Kilbirnie up and running. We have also started work around expanding the boundary of the Miramar BID.

OUR PERFORMANCE

Our performance against the measures on the quality of our investments in promoting the city are discussed in the previous table for WREDA.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
3.1.1 WREDA¹				
Expenditure	18,574	31,560	12,986	23,385
Revenue	(738)	(14,365)	(13,627)	(915)
Net Expenditure	17,836	17,195	(641)	22,470
3.1.2 Wellington convention centre				
Expenditure	14,269	-	(14,269)	14,031
Revenue	(14,371)	-	14,371	(14,483)
Net Revenue	(102)	-	102	(452)
3.1.3 Retail support (free weekend parking)				
Expenditure	1,356	1,356	-	1,355
Revenue	-	-	-	-
Net Expenditure	1,356	1,356	-	1,355
3.1.4 City growth, economic growth and economic grants²				
Expenditure	3,798	3,599	(199)	2,409
Revenue	-	-	-	-
Net Expenditure	3,798	3,599	(199)	2,409
3.1.6 Regional and external relations³				
Expenditure	677	572	(105)	583
Revenue	(24)	-	24	(8)
Net Expenditure	653	572	(81)	575
3.1.7 Business improvement districts				
Expenditure	114	114	-	97
Revenue	-	-	-	-
Net Expenditure	114	114	-	97

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
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3.1.2 Wellington convention centre⁴

Expenditure	1,669	1,669	-	2,268
Unspent portion of budget to be carried forward	N/A	749		N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Over budget due to over-commitment in major events offset by underspend in Destination Wellington fund.
- 2 Over budget due to professional fees incurred on the Convention Centre/Movie Museum project.
- 3 Over budget due to an additional staff member and more overseas travel.
- 4 Under budget due to delays in the renewals programme for the St James Theatre, to align work with the earthquake strengthening works, and renewal works at the TSB Arena.

THE BASIN RESERVE TRUST

Established in 2004, the Trust manages assets and operations at the Basin Reserve.

Relevant Council outcomes:

People-centred
city

Promotion of the city as an attractive place to live and do business, works to attract talent to the city and attract tens of thousands of visitors to the city every year

Key activities

The Basin Reserve Trust

- Contributes to the Wellington City Council's vision of Creative Wellington - Innovative Capital
- Manages, administers, plans, develops, maintains, promotes and operates the Basin Reserve for recreation and leisure activities and for the playing of cricket for the benefit of Wellingtonians
- Establishes a long-term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities
- Preserves and enhances the significant and recognised heritage value of the Basin Reserve


Key achievements


Promotion of the city as an attractive place to live and do business, works to attract talent to the city and attract tens of thousands of visitors to the city every year


- The return of One Day International Cricket to the Basin for the first time in 11 years with the Blackcaps playing Pakistan (6,500)
- Blackcaps vs Australia Test Match (20,000 over 3 days)
- Two international T20 women's (Whiteferns) matches (2000)
- The opening of the refurbished Wes Armstrong Ground Keepers Cottage
- The Robbie Williams concert marking the return of public concerts to the Basin for the first time in 6 years (10,000)
- The installation of two large information boards covering the sporting history of the Basin on the front of the northern and southern toilet blocks

Performance Information:

- We have significantly exceeded our targets for sport and community events held at the Basin Reserve

INTERESTING FACT	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Number of Events - Cricket	35 	11
		2014/15 PERFORMANCE
		N/A (Not Established)

INTERESTING FACT	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Number of Events - Other Sports	25 	12
		2014/15 PERFORMANCE
		N/A (Not Established)

INTERESTING FACT	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Number of Events - Community	15 	4
		2014/15 PERFORMANCE
		N/A (Not Established)

Source: Basin Reserve Trust

ECONOMIC - OVERALL SUMMARY

We made progress towards most of the activities in this activity area in year one of the LTP. There were delays in our only capital project, the movie museum and convention centre, which reflects the complexity of acquiring land, and designing and building a national asset of this kind. On balance, our economic development investments were successful and we are continuing to support a more vibrant, diversified and resilient economy, which provides a strong return to our community.

4

Cultural wellbeing Oranga ahurea

Reflecting and shaping Wellington's unique cultural identity

BY THE NUMBERS

300+

Cafes, bars and restaurants - that's more places to eat and drink per capita than New York. ¹⁶

100

Food events in Wellington On a Plate, making it New Zealand's largest food festival. ¹⁸

55+

Galleries in Wellington. ¹⁷

81% and 92%

New Zealanders and residents perceptions that Wellington has a culturally rich and diverse arts scene. This compares to 84% for New Zealanders and 91% residents in 2014/15. ¹⁹

¹⁶ WCC Wellington City Profile - Key facts about the city

¹⁷ WCC Wellington City Profile - Key facts about the city

¹⁸ WCC Wellington City Profile - Key facts about the city

¹⁹ WCC Residents Monitoring Survey 2016

CULTURAL WELLBEING - AT A GLANCE

Outcomes	Connected-city	People-centred city	Eco-city	Dynamic-city
Relevant LTP objectives	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure;</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement; and</p> <p>Achieving ongoing efficiencies from shared services and improved customer experiences.</p>			
LTP key activities	Arts and Cultural Activities.			
Relevant LTP projects	<p>Inclusive and culturally diverse city; Increasing the range of visitor attractions; Increasing funding for major events; New Zealand Festival; An indoor arena; and Wellington Convention Centre.</p>			
Operational expenditure	Operational expenditure (as per financial summary).			

The strength of Wellington’s creative culture depends on people, the output of artists, writers, musicians, and dancers and on the expressiveness of Wellington’s communities. We fund events and festivals, support attractions such as Te Papa, the Carter Observatory (Space Place), and the city’s galleries and museums, and also support community art and cultural activities. We work in partnership with the business community, and four other councils in the region, providing support for regional art and cultural activities.

We fund these activities because they matter to the lives of individual Wellingtonians, and to the community as a whole. They contribute to a diverse economy, and build on Wellington’s reputation as New Zealand’s arts and culture capital. They also make the city a more vibrant place to live, help develop healthy and connected communities, and improve residents’ quality of life.

Case study

Artsplash

Artsplash is a 5-day young people's arts festival that brings together primary and intermediate schools from throughout the Wellington region to celebrate dance, music, visual art and wearable art. Around 8,000 children participate in this unique-to-New Zealand event, which is organised and coordinated by Mary Prichard. During its 28 years, Artsplash has grown into a significant event on Wellington City Council's annual calendar.

Music-making "by young people, for young people" is at the heart of Artsplash. Youth orchestras perform alongside the Artsplash Band on the main stage, and smaller groups perform in the foyer as family and friends make their way into the auditorium. The festival also includes students choreographing and performing their own dance routines, showcasing their own wearable art creations, and seeing their visual works of art displayed in a public exhibition.

"Artsplash is completely accessible to everyone - the kids come from all different backgrounds and there are no auditions," says Mary.

Artsplash has been a key early experience for many of our emerging young artists, including soprano Bianca Andrews, and internationally renowned tenor Ben Makisi and concert pianist Ludwig Treviranus.

The 2016 festival was held at the Michael Fowler Centre over August and September 2015. Performances included partnerships with Virtuoso Strings, Wellington Youth Sinfonietta Orchestra, and Chilton Amadeus Orchestra.



4.1

Arts and cultural activities

Ngā mahi toi me ngā ngohe ahure

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

WHAT WE DO AND WHY

Our arts activities ensure Wellington builds on its reputation as New Zealand's arts and culture capital, by continuing to be home to top-class museums and art galleries, orchestras, dance and theatre companies. A strong arts and culture sector contributes to a diverse economy, a creative identity and connected communities, which is why we live here.

Our activities include:

- Funding Te Papa, the Great War Exhibition, Wellington Museum, City Gallery, Capital E, the Cable Car Museum, Carter Observatory (trading as Space Place), and Nairn Street Cottage
- Supporting events and cultural festivals
- Providing grant funds to arts organisations
- Managing the Toi Pōneke Arts Centre, and the city's art collection
- Funding cultural grants
- Access to and support for community arts
- Funding arts partnerships
- Partnerships with four other councils in the region to provide support for regional arts, cultural and environmental organisations and activities

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Museums, galleries and visitor attractions shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science• Cultural grants support our creative sector ensuring the city is lively, full of festivals, shows and performances all year• Support for community arts programmes and venues allows Wellington's creative communities to put on shows, festivals and performances
Dynamic-city	<ul style="list-style-type: none">• Cultural grants support Wellington's cultural institutions integral to our cultural and events capital status. They provide shows and performances that make the city a lively place to visit, play and do business

OUR KEY ACHIEVEMENTS

We supported a wide range of museums, galleries and visitor attractions (through arts and cultural projects) that shaped our sense of place and identity

We commemorated the 100th anniversary of WW1 with a range of activities over the year, including commemorations for Anzac Week. A light and sound show at Pukeahu National War Memorial Park, *WW1 Remembered: A Light and Sound Show 2016*, highlighted New Zealand's contribution to the war during 1916 and 1917. *Remembrance*, a WW100 interactive public artwork by Squidsoup, was installed in Appleton Park, Karori, but was closed early due to vandalism.

We also supported the Great War Exhibition, which had a successful year in terms of visitor numbers and experience. The exhibition attracted 179,363 visitors for the year, including school groups. An admission charge for adults of \$15 was introduced by the Great War Trust from 1 March 2016 to provide additional and needed operational funding.

Did you know?

In 2015, 57% of New Zealanders and 63% of residents perceived Wellington as the arts capital of New Zealand. In 2016 this number increased to 58% of New Zealanders and 66% of residents.²⁰

We provided support to Te Papa, who had 1,784,939 visitors, a record even beating the opening year of 1998/99. The *Gallipoli: The scale of our war* exhibition continues to attract high levels of visitation. Te Papa's 2015/16 summer blockbuster exhibition, DreamWorks Animation: The Exhibition, closed on Easter weekend, with 137,105 total visits. This made it the fourth most popular paid entry exhibition in Te Papa's history, and the tenth most popular exhibition overall.

Minor, but still key city events included: Sky Show, Capital Christmas, New Year's Eve, and the Summer City Programme. Wellington Sky Show was successfully staged to an estimated audience of 100,000. A festive Capital Christmas included the Santa Parade and having the city dressed with bright lights, banners and flags, two large Christmas trees in Midland and Courtenay Place parks, and candy cane wrapping around the Railway Station pillars. The New Year's Eve event was staged in Frank Kitts Park to a capacity crowd, with a family friendly vibe and positive media feedback. We also supported a number of more local events and projects including Youth Circus, a new Wellington Street Art Map, the Young and Hungry festival of new theatre, and the Shakespeare Globe Centre NZ.


There was also positive feedback on the programming of Meridian Gardens Magic this year, validating our decision to present a bolder, more diverse and creative event offering. The partnership with Massey's School of Design, showcasing student light-based creations at the Botanic Garden, again brought an element of delight and innovation to Gardens Magic. We are in discussions with other faculties and institutions about possible future projects and collaborations.

Did you know?

In 2015, 85% of residents agreed 'Wellington is an easy place to get involved with the arts'. In 2016 this number increased to 86%.²¹

There were three Courtenay Place Park light box exhibitions during the year, including The Visitors' and Romance, and we sponsored other community events, including the NZCT Dragon Boat Festival, the Island Bay Festival, Chinese New Year, and Newtown Festival.

Attendee satisfaction with Council supported events declined. The reasons for low satisfaction included postponement of one event and bad weather. In addition, some attendance figures were overrated and the capacity of some venues limited.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Attendee satisfaction with Council supported arts and cultural festivals	85% 	90% 2014/15 PERFORMANCE 84%

Source: New Zealand Festival

Through our CCO, the Wellington Museums Trust, we supported our visitor attractions and museums.

20 National Wellington Reputation Survey Results 2016

21 National Wellington Reputation Survey Results 2016

COUNCIL CONTROLLED ORGANISATION - WELLINGTON MUSEUMS TRUST

The Wellington Museums Trust operates six institutions on behalf of Wellington City Council. These are Capital E, Space Place at Carter Observatory, City Gallery Wellington, Nairn Street Cottage, Wellington Museum (including the Plimmer's Ark display in the Old Bank Arcade) and the Wellington Cable Car Museum.

Relevant Council outcomes:

People-centred city	Museums, galleries and visitor attractions shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science.
Connected-city	
Dynamic-city	

Key activities

The main activities of the Trust are:


- Delivering experiences, events and exhibitions
- Conservation of its collections
- Research and development to enhance visitor experiences
- Education experiences to children and young people
- Protection of heritage of venues
- Soundhouse Studio and work with artists and collectors

Key achievements

- The Trust celebrated 20 years of managing and developing the Trust assets since its establishment in 1995

Museums, galleries and visitor attractions shape Wellington's sense of place and identity. They celebrate creativity and ideas and increase our understanding of culture and science

- The Attic development at Wellington Museum was completed in the second half of the year. Visitation to the Wellington Museum was 133,470 against a target of 120,000. The Trust launched Space Place at Carter Observatory under a new business model and exceeded visitation expectations for the year. City Gallery hosted popular exhibitions including *Fiona Pardington: A Beautiful Hesitation* and *Francis Upritchard: Jealous Saboteurs* which opened in May. *Demented Architecture* which included the work of Wellington artist Kirsty Lilico and acclaimed Danish artist Olafur Eliasson, brought in Lego enthusiasts of all ages to contribute to *The Cubic Structural Evolution Project*. The Wellington Museums Trust's institutions attracted 688,169 visitors for the year, well above the target of 600,000, with City Gallery, Wellington Museum, Cable Car Museum, Capital E and Space Place visitation rates all above target

INTERESTING FACT	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Total visitors	Total visitors: 688,169	600,000
		2014/15 PERFORMANCE
		689,414

Source: Wellington Museums Trust

We provided a number of grants to support our cultural sector ensuring the city is lively, and full of festivals and performances. These grants also support cultural institutions integral to our cultural and events capital status

Our Arts and Culture Fund focuses on four areas: the city as a hothouse for talent, Wellington as a region of confident identities, active and engaged people, and our creative future through technology. The fund supports projects and key partnerships for key arts institutions in the city. Over the year we supported 69 projects with \$235,795, with grants ranging from \$500 for a community Matariki festival to significant large scale youth theatre, projects around the commemorations for WW1 and community murals.

In partnership with four other councils in the region, we support the Wellington Regional Amenities Fund. Ten arts and environmental organisations from around the Wellington region were granted funding from the 2014/15 round, including Aratoi Museum of Art and History, Circa Theatre, Festival of the Elements, LUX Festival Trust, Mahara Gallery, Matariki Festival, Nature Connections, New Zealand Festival, Orchestra Wellington, the Wellington Museums Trust project, and Kids to the Capital. We contributed \$609,200 towards the \$1,053,200 distributed by the fund in 2015/16.

Projects that reach across the region like Nature Connections, Matariki, and the Kids to the Capital initiative, which have all received funding over the past 2 years, are well underway and developing and implementing new models for working - championing collaboration over competition.

We supported community arts programmes and venues allowing our creative communities to put on shows, festivals and performances

We worked with new arts organisation Vivid to support their inaugural Street Art Festival during Fringe 2016 resulting in three new murals in the city. The inaugural Ahi Kaa festival was held during Matariki 2015, celebrating Māori theatre and dance across four theatres and supported via the Arts and Culture Fund. The inaugural

Spring Uprising Festival took place in Vogelhorn in September 2015. This festival focused on community participatory arts practice and was supported by an Arts and Culture Grant²².

We facilitated the community project, Art in the Park, at the Terrace Gardens as part of Parks Week to enliven the space and encourage people to use it. Musicians played and two artists, developed a mosaic and a mural in partnership with local residents. We also supported artists and purchased 10 artworks for the City Art Collection and continued to support a number of artists in residence programmes, including the Wellington Asia Residency Exchange and Te Whare Hēra.

We also continued to support artists in Wellington through our Toi Pōneke Arts Centre. Toi Pōneke celebrated its 10th anniversary with an open day, including a full programme of local musicians, performance art, public talks and open studios and offices. Toi Pōneke Gallery delivered 13 exhibitions during the year and held seven public programmes. An Open Studios Day was held during CubaDupa.

We worked, often in partnership, on a number of mural projects in the city, including:

- With Wellington Cable Car Limited on a project to design murals for a series of new trolleybus cabinets installed across the city
- Waituhi 2015, a Matariki mural printed onto a billboard skin installed under the City to Sea Bridge
- With Westpac Stadium to launch the Westpac Stadium community mural projects in December. Six artists workshopped with 12 schools to paint a total of 12 murals (two per artist) on the walls of the internal stadium concourse to celebrate the stadium's 15th anniversary, enliven the stadium walls, and engage audiences across the Wellington region
- With Eastern Southern Youth Trust and artist Chris Barrand to support the development of a community mural in Strathmore at Tairaroa Park
- With the Karori community on a large-scale mural on the new retaining wall at Karori Road. Artists Ruth and Ian Taylor painted the mural, after a series of workshops with schools in the area to brainstorm ideas
- With the residents of Flagstaff Hill in collaboration with mosaic artist Rachel Silver and street artist Olivier Kenneybrew. They developed a series of artworks in and around the Terrace Gardens that reduce graffiti, enliven the space and, reflect and complement the heritage and the surrounding urban, green environment

22 List of grants; <http://wellington.govt.nz/-/media/services/community-and-culture/funding/files/arts-and-cultural-fund.pdf?la=en>.

Temporary public art projects were also supported, including PARK(ing) Day on 9 March, a day of temporary installations in car parks throughout the central city, organised by the Wellington Sculpture Trust.

Masons Screen, a 24 hour outdoor screen for video art, was launched in December as part of the Council's Masons Lane upgrade. We are partnering with arts organisation CIRCUIT Artist Film and Video Aotearoa New Zealand to deliver the pilot programme over the next year, with a new video featured each month.

OUR PERFORMANCE

Quality and usage of arts and culture support activities:

There was an increase from last year in attendee satisfaction with the arts and cultural festivals we support. We were below our target for this measure. This is largely due to events such as weather postponements that are beyond our control. Customer satisfaction with the New Zealand Festival has increased from 2014. The economic impact of the New Zealand Festival was below target largely because many of our regional visitors chose to attend the earlier Royal Edinburgh Military Tattoo, instead of the New Zealand Festival the following weekend. Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
4.1.1 City Galleries and Museums				
Expenditure	9,094	9,208	114	8,379
Revenue	-	-	-	-
Net Expenditure	9,094	9,208	114	8,379
4.1.2 Visitor attractions (Te Papa/Carter Observatory) ¹				
Expenditure	3,121	2,840	(281)	3,033
Revenue	-	-	-	-
Net Expenditure	3,121	2,840	(281)	3,033
4.1.3 Arts and cultural festivals				
Expenditure	2,601	2,692	91	3,569
Revenue	(263)	(410)	(147)	(441)
Net Expenditure	2,338	2,282	(56)	3,128
4.1.4 Cultural grants				
Expenditure	856	858	2	1,037
Revenue	-	-	-	-
Net Expenditure	856	858	2	1,037
4.1.5 Access and support for community arts				
Expenditure	659	659	-	569
Revenue	(74)	(62)	12	(63)
Net Expenditure	585	597	12	506
4.1.6 Arts partnerships				
Expenditure	2,271	2,277	6	1,834
Revenue	(507)	(515)	(8)	(482)
Net Expenditure	1,764	1,762	(2)	1,352
4.1.7 Regional Amenities Fund				
Expenditure	641	609	(32)	656
Revenue	(32)	-	32	(34)
Net Expenditure	609	609	-	622

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Over budget due to additional depreciation and impairment of Carter Observatory assets.
- 2 Wellington Museum upgrade completed under budget.
- 3 Under budget due to delays and changes in the Cable Car Trail project.
- 4 Under budget due to the design process taking longer than expected for the Pou Whenua to be placed at the Taputeranga reserve.

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
4.1.1 City Galleries and Museums ²				
Expenditure	1,644	1,914	270	1,807
Unspent portion of budget to be carried forward	N/A	-	-	N/A
4.1.2 Visitor attractions (Te Papa/Carter Observatory) ³				
Expenditure	268	311	43	554
Unspent portion of budget to be carried forward	N/A	43	-	N/A
4.1.4 Cultural grants ⁴				
Expenditure	40	100	60	-
Unspent portion of budget to be carried forward	N/A	60	-	N/A
4.1.5 Access and support for community arts				
Expenditure	16	26	10	10
Unspent portion of the budget to be carried forward	N/A	-	-	N/A

CULTURAL WELLBEING - OVERALL SUMMARY

We made progress towards the activities for year one of the LTP despite some delays in our capital works programme. Generally speaking, Wellingtonians have a positive attitude towards the role we play as the arts capital of New Zealand. Visitor numbers were up for our museums, galleries and Te Papa. The economic impact of the NZ Festival shows a decline - but these figures exclude the impact of the Royal Edinburgh Military Tattoo held the weekend before the festival. There were delays to our capital programme although we successfully completed the Wellington Museum upgrade under budget. On balance, our activities in this area have helped us make a significant boost in the achievement of our outcomes.

5

Social and Recreation Pāpori me te hākinakina

Sustaining safe, resilient and healthy communities

BY THE NUMBERS

1.3 million

Number of swims residents took in city pools, this compares to 1.2 million in 2014/15. ²³

94%

Occupancy rate of available housing facilities. This is 4% above our target. ²⁴

²³ WCC Parks and Recreation

²⁴ WCC City Housing

SOCIAL AND RECREATION - AT A GLANCE

Outcomes	Connected-city	People-centred city	Eco-city	Dynamic-city
Relevant LTP objectives	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure;</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement; and</p> <p>Achieving ongoing efficiencies from shared services and improved customer experiences.</p>			
LTP key activities	Recreation promotion and support.	Community support.	Public health and safety.	
Relevant LTP projects	<p>Social housing; Homelessness; Recreation and community facilities; Basin Reserve re-development; National Hockey Stadium; Johnsonville facility improvements; Dog exercise areas; Removing graffiti; and a child friendly city.</p>			
Operational expenditure	Operational expenditure (as per financial summary).			

The Council’s social and recreation work includes providing housing for people in need, funding city safety initiatives, regulating and monitoring food and liquor outlets, preparing to deal with earthquakes and other emergencies, providing community and recreation centres and halls, providing public toilets and cemeteries, pools and libraries, supporting community groups and events, providing sport and recreation facilities, neighbourhood playgrounds and dedicated areas for our dogs. In this activity area we fund, facilitate and sometimes regulate. We work with others and ensure we don’t replicate the effort of clubs, volunteer organisations, businesses and individuals to help themselves. We fund these services because they matter to the lives of individual Wellingtonians, and to the community as a whole. They help to protect the most vulnerable people, keep people safe and healthy, and strengthen communities. These activities also provide opportunities for people to live healthy lifestyles, to reach their potential, and enjoy themselves.

5.1

Recreation promotion and support

Ngā rauhanga hapori

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

WHAT WE DO AND WHY

Our sporting and recreation facilities encourage people of all ages to engage in activities that help them live more active and healthy lives. Some facilities also attract visitors and raise the city's profile by hosting national and international events.

Our activities include:

- Swimming pools - we have seven swimming pools for people to learn to swim, exercise, participate in aquatic sports and have fun
- Sportsfields (including synthetic) - 44 natural and nine artificial sports turfs (two in partnership with schools), eight croquet lawns, Newtown Park running track, a velodrome, and tennis/netball courts
- Recreation centres - four multi-purpose recreation centres plus the ASB Sports Centre
- Recreation partnerships, programmes and leases
- Playgrounds
- Marinas - The Evans Bay Marina and Clyde Quay Boat Harbour
- Golf course - Berhampore Golf Course

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Swimming pools, sportsfields, recreation centres, golf courses and recreation programmes provide access to sport and recreation opportunities important for people's health and the well-being• Playgrounds provide access to recreation opportunities and physical play for younger children which is important for their development and health and well-being• Marinas support access to the harbour and the coast for recreation, fishing and enjoyment
Connected-city	<ul style="list-style-type: none">• Swimming pools, sportsfields, recreation centres, golf courses and recreation programmes bring people together, strengthening social cohesion and making the city a better place to live

Did you know?

Wellington has over 40 sport grounds which are used for club and school sport throughout the year.





OUR KEY ACHIEVEMENTS

We made significant progress towards providing facilities that give residents access to sport opportunities important for health and well-being and that bring people together, strengthening social cohesion and making the city a better place to live

We completed gravel banding to improve drainage on the sportsfield at Karori Park, and began the development of two sand sportsfields at Martin Luckie Park. We applied for consent to construct a new artificial surface at (the former) Terawhiti Bowling Club in Karori, and the new artificial hockey turf at Mt Albert Park. User satisfaction with our artificial sportsfields has increased over the year, and is significantly above target. Satisfaction with grass fields is below target and has declined since last year largely due to environmental conditions beyond our control.


Utilisation of our artificial sportsfields was generally less than expected. Whilst well used in July for school holiday programmes, unpredictable weather and costs meant Primary Schools were reluctant to make bookings over the rest of the off peak winter period. Usage in peak summer is generally low as schools use their own field, and low in

off peak winter because of low demand on weekend evenings. Summer usage increased with the American football at Alex Moore Park and increased training hours at Nairnville.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of utilisation of artificial sportsfields	Peak Winter 68% 	Peak Winter 80%
	Peak Summer 36% 	Peak Summer 40%
	Off-peak Winter 15% 	Off-peak Winter 25%
	Off-peak Summer 10% 	Off-peak Summer 20%
		2014/15 PERFORMANCE
		Peak Winter 68%
		Peak Summer 32%
		Off-peak Winter 25%
		Off-peak Summer 11%

Source: WCC Parks and Recreation

An upgrade at the Wellington Regional Aquatic Centre, which included relocating and refurbishing Club Active Gym, and, upgrading the front of house and the spa areas, was also completed. Planning work is also underway for the refurbishment of the Hataitai Ballpark and Kelburn Park sports pavilions. The number of visits to swimming pools has increased from last year, and is above target. User satisfaction with swimming pools has improved from last year but is still below target.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
User satisfaction with swimming pools	88% 	90%
		2014/15 PERFORMANCE
		85%

Source: WCC Parks and Recreation



We worked with sports clubs and schools at Kilbirnie Park, Alex Moore Park and Hataitai Ballpark on the formation of community sports hubs, and with the Lyall Bay Surf Life Saving Club on the planning of their proposed new surf club building.

Did you know?

The frequency residents engage in physical activity has increased from 71 % in 2014/15 to 74 % in 2015/16²⁵.

Work outlined the Basin Reserve Masterplan also started. During the year we completed the construction of the upgraded ground keeping facilities and started working on deferred maintenance on the Vance Stand.

Our recreation facilities continued to host a range of local, regional, national and international competitions in a range of sports, including: swimming, diving, underwater hockey, waterpolo, basketball, netball, volleyball, futsal and floorball. Whilst usage of our community halls has increased, usage of community centres has decreased.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Residents usage of City Councils community and recreation facilities	Community Hall 21% 	N/A
	Community Centre 20% 	19%
		2014/15 PERFORMANCE
		22%

Source: WCC Residents' Monitoring Survey

Other achievements include our pool lifeguards winning the National Pool Lifeguard Championship, and providing funding and support for emerging athletes through the Wellington City Council Sport Talent Development programme.

Case study

Shift: improving young women's wellbeing in Wellington


Shift is a pilot project led by our Community Partnerships Team within Parks, Sport and Recreation. It began in February 2016 and aims to increase the physical activity levels and wellbeing of young Wellington women through co-design and empowering them to build their own solutions to health and wellbeing issues.

Shift focusses on five areas:

- Delivering 10-week programmes around physical activity and wellbeing in Wellington secondary schools
- Building core groups of female Shift Leaders who are mentored to champion physical activity and wellbeing within their schools and wider communities Increasing the number of fun, social, low-cost community-based physical activity and wellbeing opportunities on offer in Wellington - targeting young women aged 12-20 years
- “Give back, Shift forward” - a crowdsourced fund through PledgeMe, where young women can apply for funding to participate in movement opportunities in Wellington
- Shift Jams, held at BizDojo, for groups of young Wellington women to practise leadership, and learn about social entrepreneurship and building wellbeing solutions using a people-focussed approach

To date, Shift has engaged with more than 200 young Wellington women and held more than 50 Shift activities and events using our open spaces and recreational facilities. The first round of the Give back, Shift forward fund opened 1 July and aims to support at least 20 young women in accessing a physical activity opportunity that would, for financial reasons, be otherwise unavailable to them. Shift is a joint initiative between Wellington City Council and The Boys and Girls Institute, funded by grants from Sport Wellington, the Ministry of Social Development, Lottery Community and supported by a vast array of individuals and organisations who are passionate about seeing young Wellington women flourish. Shift aims to engage with a minimum of 600 young women in 2016 and continue the project in 2017.



MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Resident's perceptions that there are barriers to participating in recreation activities.	See Reference Page Fig. 6 for full detail	N/A
		2014/15 PERFORMANCE
		See Fig. 6

Source: WCC Residents' Monitoring Survey

We provided playgrounds to give access to recreation opportunities and physical play for younger children which is important for their development and health and wellbeing

Over the year we completed four playground renewals at Gilbert Young Play Area, Churchill Park and Play Area, Chorley Grove Play Area, and Cheyne Walk Play Area. To assist our younger people we used money (\$250,000) received from the New Zealand Community Trust towards our 'Youth in Sport' programme at the ASB Sports Centre, the 'Push-Play' programme, and the 2016 Dragon Boat Festival.

We carried out work on our marinas to support access to the harbour and the coast for recreation, fishing and enjoyment

Renewal works were completed at the Evans Bay Marina, including the replacement of piles, bearers and fendering.

Did you know?

The Berhampore Golf course opened in 1915 as a 9 hole golf course and was extended to an 18 hole course in 1921. Nestled in the Town Belt and now known as Mornington Golf Club, the multi sport complex offers Wellingtonians bowls, Bocce (an Italian version of bowls) a playgroup for under 5-year olds, and a tai chi group.

OUR PERFORMANCE

Quality and usage of recreation facilities: We didn't meet our targets for the use of artificial sportsfields - peak and off-peak. Whilst winter off-peak usage is based on football school holiday programmes, at other times usage depends on the demand from schools which is driven by the unpredictable weather and costs. User satisfaction with swimming pools was also below our target, although an improvement on last year. There was an increase in visits to pools from last year and we exceeded our target. User satisfaction with recreation centres was also below our target but an improvement on last year. Visits to recreation centres including the ASB Sports Centre increased from last year and exceeded our target. Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
5.1.1 Swimming Pools¹				
Expenditure	21,138	20,476	(662)	20,520
Revenue	(7,017)	(7,587)	(570)	(6,806)
Net Expenditure	14,121	12,889	(1,232)	13,714
5.1.2 Sportsfields				
Expenditure	3,272	3,405	133	3,417
Revenue	(273)	(295)	(22)	(319)
Net Expenditure	2,999	3,110	111	3,098
5.1.3 Sportsfields (Synthetic)				
Expenditure	1,258	1,354	96	1,237
Revenue	(473)	(524)	(51)	(418)
Net Expenditure	785	830	45	819
5.1.4 Recreation Centres²				
Expenditure	9,425	9,702	277	9,705
Revenue	(2,754)	(2,657)	97	(2,653)
Net Expenditure	6,671	7,045	374	7,052
5.1.5 Recreation partnerships				
Expenditure	992	1,088	96	1,049
Revenue	-	-	-	-
Net Expenditure	992	1,088	96	1,049
5.1.6 Playgrounds				
Expenditure	759	737	(22)	746
Revenue	-	-	-	-
Net Expenditure	759	737	(22)	746
5.1.7 Marinas³				
Expenditure	565	602	37	511
Revenue	(596)	(592)	4	(582)
Net Revenue	(31)	10	41	(71)
5.1.8 Golf Course⁴				
Expenditure	225	270	45	221
Revenue	(60)	(77)	(17)	(58)
Net Expenditure	165	193	28	163

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
5.1.9 Recreation programmes⁵				
Expenditure	252	282	30	345
Revenue	(128)	(15)	113	(59)
Net Expenditure	124	267	143	286
CAPITAL EXPENDITURE (\$'000)				
	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
5.1.1 Swimming Pools				
Expenditure	2,535	2,417	(118)	5,185
Unspent portion of budget to be carried forward	N/A	-	-	N/A
5.1.2 Sportsfields⁶				
Expenditure	1,125	575	(550)	517
Unspent portion of budget to be carried forward	N/A	75	-	N/A
5.1.3 Sportsfields (Synthetic)⁷				
Expenditure	223	223	-	47
Unspent portion of budget to be carried forward	N/A	337	-	N/A
5.1.4 Recreation Centres⁸				
Expenditure	112	246	134	27
Unspent portion of budget to be carried forward	N/A	14	-	N/A
5.1.5 Recreation partnerships⁹				
Expenditure	857	906	49	234
Unspent portion of budget to be carried forward	N/A	3,100	-	N/A
5.1.6 Playgrounds				
Expenditure	429	414	(15)	602
Unspent portion of budget to be carried forward	N/A	-	-	N/A
5.1.7 Marinas				
Expenditure	524	522	(2)	92
Unspent portion of budget to be carried forward	N/A	36	-	N/A

- * The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.
- 1 Over budget due to lower revenue and higher labour costs.
- 2 Under budget due to higher revenue and savings in interest costs.
- 3 Under budget due to lower maintenance costs.
- 4 Under budget due to lower maintenance and vehicle costs.
- 5 Under budget due to additional revenue to support programmes.
- 6 Over budget due to unbudgeted works on Martin Luckie park to support elite sport. Additional funding of \$550,000 was approved by Council.
- 7 Under budget due to delays in completing the additional turf for the National Hockey Stadium and the synthetic turf sportsfield for Terawhiti park.
- 8 Under budget due to savings in the capital renewal programme.
- 9 Under budget due to delays in the upgrade works planned for the Basin Reserve.

5.2

Community participation and support

Tautoko hapori

We provide leadership as a key influencer on the city's wellbeing through partnerships and/or collaborations to improve community wellbeing and to ensure local services meet local needs. We support a city wide network of community spaces, libraries, community organisations, and provide homes for people whose needs are not met by state housing or the private housing market

WHAT WE DO AND WHY

We want Wellington to be a people-centred city that supports diverse and inclusive communities. We support a network of community spaces and libraries to provide a focal point for community activities and programmes. We also support community leadership and advocacy to strengthen community resilience and safety.

We partner with Police and social agencies to coordinate a city-wide approach to homelessness. By providing social housing, with a focus on tenant welfare, we provide stability for vulnerable households.

Our activities include the following:

- Libraries - 12 libraries plus an online branch providing access to a wide array of books, CDs, magazines, DVDs, e-books and e-audio, online journals, and e-music tracks
- Access support (Leisure Card) - we provide discounted pricing for recreation services and facilities, enabling access for those who couldn't otherwise afford it
- Community advocacy and support - we support community and service providers and programmes to meet the needs of our diverse communities and most vulnerable residents. We partner with key social and health agencies to ensure there is a coordinated approach to addressing emerging community issues

- Grants (social and recreation) - we support projects and organisations contributing to community resilience, fostering strong, sustainable communities and build capacity in the community. This includes support for local community projects, facilities and organisations
- Community centres and halls - we provide community facilities and services, including a city-wide network of 21 community centres and halls offering services, programmes, spaces for hire, childcare and education services
- Housing - we house approximately 4,000 people in 2,200 units

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Libraries are neighbourhood institutions that anchor community life and bring people together• We support the development of individual wellbeing, safe neighbourhoods and cohesive, engaged and inclusive communities• Social and recreation grants promote individual well-being, safe neighbourhoods and cohesive, engaged and inclusive communities. They also support active and healthy lifestyles through support of recreation and sporting groups• Community housing provides an opportunity for a home and better quality of life for those less well off without unreasonable hardship• Community centres and halls are important anchors in our community. They are a place to gather, strengthen social cohesion, and make the city more appealing place to live
Connected-city	<ul style="list-style-type: none">• Libraries are places of learning and allow connections with others and the exchange of knowledge


Did you know?

Wellington had New Zealand's first Library, the Port Nicholson exchange, and Public Library that opened in 1841.

OUR KEY ACHIEVEMENTS

We continued to work on our libraries which are neighbourhood institutions that anchor community life and bring people together

As part of our “Libris 175” celebrations which marked 175 years of public library service in Wellington, Mayor Wade-Brown unveiled a plaque at the spot near Parliament where a Wellington’s first library - raupo hut - stood. Our Libraries and Community Spaces took part in the first New Zealand Chinese Language Week (September 2015). They hosted a variety of events including language lessons, story time for children, and painting and calligraphy classes. Progress also continued on our Johnsonville Library which is becoming part of the community facilitates hub in Johnsonville. Located on Moorefield Road, near the Johnsonville Community Centre and Keith Spry pool, the renowned Wellington Architects - Athfield Architects - worked with the community on design options. The design chosen has a covered walkway that connects the new library, to the recently renovated Keith Spry Pool, and though to Memorial Park. User satisfaction with library services and facilities has improved.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
User satisfaction with Library services and facilities	93% 	90%
		2014/15 PERFORMANCE 87%

Source: WCC City Libraries

We improved the use of our Libraries as places of learning that allow connections with others and the exchange of knowledge

We ran a Summer Reading Challenge over the 2015 Christmas holidays. The challenge was for children (aged 5-12) to read and review as many titles as they could from the Challenge booklist. At the same time we ran the ‘Libraries Challenge’ where children were challenged to visit each Wellington library and complete a fun literacy-based activity. This was the fourth summer that the Summer Reading Challenge was held, and each year has seen a growth in awareness and participation. The 2015/16 Summer Reading Challenge had the highest level of participation to date. Other libraries and schools in New Zealand are interested in running similar programmes in their area.

Did you know?

We have a new system for the circulation and management of our library collection. We have replaced the old barcode and electromagnetic system with a Radio Frequency Identification (RFID) tag in all 800,000 of our collection items. We did this because our existing system was reaching the end of its useful life and repair of the supporting equipment was difficult with spare parts not readily available. RFID provides greater customer self-service, and allows our staff to focus on valued-added services such as community outreach, programmes and reader’s advisory.

We continued to undertake community advocacy to support the development of individual well-being, safe neighbourhoods and cohesive, engaged inclusive communities.

We have a strong interest in ensuring the city’s social infrastructure is robust and responsive to local needs. We achieve this by supporting and building community resilience and advocate to ensure the city’s most vulnerable are supported. For example, we take a “Zero Tolerance” approach to loneliness in our communities. The importance of this work has been highlighted with the tragic deaths of residents found undiscovered (for some time) in their homes. We established a cross agency working group to target services to support such isolated people and help identify gaps in their current support. We work with agencies such as Age Concern, the Mental Health Foundation, Neighbours Day Aotearoa, Wesley Community Action and St Vincent de Paul. We established an ongoing drop-in service for residents at our Dixon St flats, where one of these deaths happened. We also worked with the St Pauls apartment’s body corporate to put on a Neighbours Day event-getting to know your neighbours-in response to the death of a long-term tenant.

We continued to work with partner organisations, such as the Police and Housing New Zealand to improve community outcomes in Strathmore Park. A long-term plan for the rejuvenation of Strathmore Park was developed using a community led engagement process. The plan identified a need for a local community space - to enable services and programmes to be developed and delivered locally. We plan to have this in place by August 2016.

Over the year we welcomed new refugee families into Wellington. All new arrivals were given a Council welcome pack - translated into relevant languages. The welcome pack included an introduction to the city, council services and community facilities. We also continued to develop excellent working relationships with the Red Cross and other councils in our region, to enable a joined up response to the needs of new refugees.


We undertook innovative work to better understand begging and address residents' concerns about the increase of begging on our streets. The purpose of the project was to develop a community approach to stop street begging. During the project we spoke with people who beg as well as residents, retailers, the police, and social services agencies. The project concluded the underlying national issues that lead to begging need addressing, and a joined up approach to street management was needed.

We built on our commitment to end homelessness by continuing to fund the objectives of the community driven collaboration - Te Whakamura Ai te Ahi. We also increased resources to our street outreach team. A new strategic leadership group, chaired by our Mayor, was established to end street homelessness in Wellington by 2020.

Our community focussed work in the inner city included a number of community activities. We established an Inner City Liaisons Forum for community organisations to focus on and align approaches to inner city community issues. We continued to develop central-city-based initiatives in partnership with the Police, residents and retailers. This included a community garden on Bond Street -an ongoing project seeking to build neighbourliness in the area.

We continued our focus on projects to improve accessibility, and worked with the Blind Foundation on placing sensors throughout the city. These sensors will provide real-time geospatial information, which can be accessed by a smartphone app, to assist the blind, and vision impaired, to safely navigate around the city.

We also continue to support accessibility through our City Mobility project. A joint initiative with TSB Bank, City Mobility provides free mobility scooters to help people get around and enjoy Wellington. A second mobility scooter site was recently added at Wellington Railway Station. Our partnership with the Halberg Trust has resulted in a free beach wheel chair which can be hired from the Freyberg Pool in Oriental Bay. We are still below our target in relation to our Accessible Wellington Action Plan initiatives, but we have made progress since 2014/15.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Accessible Wellington Action Plan initiatives planned for next year.	85% 	90%
		2014/15 PERFORMANCE 77%

Source: WCC City Communities

Did you know?

As part of our Urban Agriculture programme we have supported 40 groups who have joined the Guardian Fruit tree programme this year. These groups will be planting round 120 fruit trees across the city. We have over 30 community gardens, a well-established network of community orchards and the first urban farm was set-up last year.

As part of our Growing Your Neighbours programme we worked with the community to record their stories. This programme started as #wellynextdoor, you can check out the website here: <http://www.wellynextdoor.co.nz/>

Community story-telling ensures important memories and stories stay in our collective memory and can be shared with future generations. The programme has continued to grow and connect Wellingtonians in the inner city. In particular, it connects residents in apartments reducing social isolation that often results from the transient nature of apartment living.

Case study

#wellynextdoor

The #wellynextdoor programme is helping our city become a safer and nicer place to live by connecting Wellingtonians and increasing communication between neighbours.

A group of third-year Massey University students worked with the Council's Community Services team to create a project that would help neighbours get to know each other in an organic, genuine and spontaneous way. The result was #wellynextdoor, which included the theme "peg up your stories". We asked residents to share a story about their neighbours on our special postcards - how they met or interacted - and this provided a catalyst for other people to meet their neighbours. The students turned a selection of these stories into animated videos, which are on the Council's website and #wellynextdoor website.

The #wellynextdoor recording caravan gave Wellingtonians the opportunity to share their stories about what they enjoyed most about Wellington. In the lead-up to Anzac Day 2016, people were encouraged to record their memories and experiences of New Zealand's contribution to the wars. MP Nuk Korako told of his "journeys of remembrance" to places the 28th Māori Battalion fought in World War II - a special trip for family members of the soldiers. The collection of these stories means that they won't fade from our collective memory and can be used to educate future generations, and remember those who served.



We continued to provide social and recreation grants to promote individual well-being, safe neighbourhoods and cohesive, engaged and inclusive communities. They also support active and healthy lifestyles through support of recreation and sporting groups

Our grants continued to support our city wide network of community centres. Over the year we supported local organisations with 80 grants totalling \$290,332. This figure included 28 grants under \$500 through our Neighbours Day Aotearoa Fund, and support for local residents associations and community projects. We also provided some organisations with multi-year contract funding to support the delivery of community services²⁶.


Our Pools Partnership Fund supported local schools by increasing the total available pool capacity and providing aquatic programme opportunities throughout the city. As a result Wellington East Girls College and Rewa Rewa School have started upgrading their pools. Berhampore and Kilbirnie Schools also received support for facility improvements, and Newtown and Kahurangi Schools started planning for building work and refurbishment in 2016/17.

Our Sportsville Partnership Feasibility Fund also supported the Worsler Bay Boating Club, and Wellington Tennis Incorporated (Renouf Tennis Centre). They are developing plans to ‘hub’ sport facilities in the city.


This year we added two new focus areas to our community grants projects to support community resilience and the settlement of refugees in the city. Building our social resilience is part of our Resilience Strategy which is a key focus area in our Long-term plan 2015-25.

We made progress providing community housing and better quality of life for those less well off without unreasonable hardship

We provided affordable housing for nearly 4,200 tenants from low-income households that would otherwise have struggled to make their homes in the city. The majority of our tenants are satisfied with our housing services and facilities, and overall condition of their house.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of tenants satisfied with housing services and facilities.	94% 	90% 2014/15 PERFORMANCE 94%

Source: WCC Tenant Survey 2016

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of tenants rating of the overall condition of their house/apartment (good and very good)	96% 	90% 2014/15 PERFORMANCE 95%

Source: WCC Tenant Survey 2016


Our City Housing Upgrade Project is the largest local government led social housing redevelopment project undertaken in New Zealand. With co-funding from central government and oversight from the Treasury and the Ministry of Business, Innovation and Employment, we are working (this is the 8th year in a 20 year programme) to upgrade 2,300 homes at a cost of \$400 million. We are on track with the 20 year programme agreed with Treasury. During the year we continued construction of the Kotuku Apartments and commenced site works for the Arlington Site 2 Apartments. At Arlington Site 2 we adopted a partnering approach with both architects and construction companies that resulted in a design build agreement and an innovative modular design for Arlington Site 2. This is a first for social housing in New Zealand, the design of the ten four storey blocks provides flexibility to reconfigure the unit sizes as demand changes. Demolition of the existing buildings started in March 2016 and the project is scheduled for completion in late 2018. A detailed business case for the Arlington Site 1 development was presented to Council’s Community Sports and Recreation Committee. The reconfiguration and refurbishment of Kotuku Apartments was a more traditional two phase approach. Phase I blocks were reoccupied in May/June 2015, and Phase II was completed in July 2016 and is now fully occupied.

Over the year we continued to work closely with Housing New Zealand (HNZ) at both a national and regional level to make best use of knowledge and resources. This included sharing tenancy management. We also continued to support HNZ by leasing to them some of our low-demand units for their tenants whose homes were being upgraded. Our housing effort has been recognised and we won both the regional and national New Zealand Institute of Architects Award for Marshall Court (Miramar) in the multi-unit residential category. The Marshall Court flats also won the Winstone Wallboards Residential Award at the New Zealand Commercial Project Awards. In addition, eight of our staff were recognised as Certified Housing Professionals by the Australasian Housing Institute for professionalism in social housing.

We ran a strength-based community development programme alongside the housing upgrade to help increase social capital and community spirit and pride within City Housing communities. We continued to

26 Our list of grants can be found at <http://wellington.govt.nz/-/media/services/community-and-culture/funding/files/social-and-recreation-fund.pdf?la=en>

deliver a wide range of programmes focused on tenant wellbeing and increasing inclusiveness and connectedness. This included tenant led celebrations of Chinese New Year, Neighbours Day and Matariki. More than 70 of our tenants attended our Tenant Forum on maintenance and repairs. More of our tenants reported positive social contact over the year.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Housing Services tenants who report positive social contact	94% 	N/A
		2014/15 PERFORMANCE
		94%


Source: WCC Tenant Survey 2016

We continued to create safe and attractive communal areas, such as Hobart Park, Booth Street, Daniell Street and Darwin Street in Karori. In addition, over 80 tenants volunteered to become kaitiaki - tenant leaders who put in thousands of hours each year to help improve their communities. We partnered with the NZ Fire Service and Police to promote fire safety at Berkeley Dallard Apartments.

We also identified a number of Special Housing Areas (SHA) where we offer a streamlined resource consent process through the Housing Accords and Special Housing Act (HASHAA). SHA qualifying developments must be predominantly residential and low rise (under six storeys or 27 metres high). This will help us increase the number and range of housing options in Wellington.

We have undertaken work on our community centres and halls which are important anchors to our community - a place to gather and strengthen cohesion

We began the year by planning for upgrades of community facilities in Aro Valley Centre and Newtown. We also supported the establishment of new community centres in Seatoun and in Berhampore, working in partnership with Berhampore School and Housing New Zealand (at Centennial Flats). Occupancy rates for our community facilities are falling because demand is variable. The figures in the table below represent all seven of our community spaces. The majority of the other community spaces are near full capacity during the popular times, which includes the afterschool period, mornings and evenings. However, some bookings are only for 6 to 8 months preventing other users from booking for the full year, though casual users are always welcome. Our Linden Community Centre is also a difficult space to fill because of its location.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of occupancy rates of community centres and halls	39% 	45%
		2014/15 PERFORMANCE
		34%

Source: WCC City Communities

OUR PERFORMANCE

Quality and usage of library services and community centres and halls: Physical visits to our libraries decreased from last year and were below our target. This decline was largely a result of under reporting of door counter units (since resolved through our new RFID exit gates), closure of the Newtown Library for 3 months maintenance, and our on line services (such as making payments, reserving books, and borrowing ebooks and magazines). The number of library items issued increased from last year but did not meet our target. The increase over the year was a result of increased availability and usage of our eBook collection. We didn't meet our target largely because of continued declining issue rates for DVDs and CDs as more download and streaming options become available in the marketplace. Over the coming year we will review the viability of continuing to provide CD collections as the decline has accelerated faster than we had projected. User satisfaction with library services and facilities increased from last year and was above our target. Web site visits along with e-library user satisfaction increased over the year and numbers were above our targets. Occupancy rates for our community centres and halls (excluding the ASB Sports Centre) increased from last year but we didn't meet our target. This was largely because of the variable demand for space over the calendar year - which often prevents weekly bookings.

Quality and usage of housing services: We exceeded our targets for tenant satisfaction with services and facilities and the overall condition of their houses. Residents' rating of the overall condition of houses was higher than last year. Our occupancy rate of available houses is also above our target. We achieved all of our milestones for our Housing Upgrade Project with the Crown. Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
5.2.1 Libraries ¹				
Expenditure	21,129	20,843	(286)	20,635
Revenue	(1,452)	(1,590)	(138)	(1,542)
Net Expenditure	19,677	19,253	(424)	19,093
5.2.2 Access support (Leisure Card)				
Expenditure	102	105	3	56
Revenue	-	-	-	-
Net Expenditure	102	105	3	56
5.2.3 Community Advocacy				
Expenditure	1,329	1,279	(50)	1,487
Revenue	(9)	-	9	(11)
Net Expenditure	1,320	1,279	(41)	1,476
5.2.4 Grants (Social and Recreation)				
Expenditure	3,643	3,643	-	2,749
Revenue	(23)	-	23	(19)
Net Expenditure	3,620	3,643	23	2,730
5.2.5 Housing ²				
Expenditure	22,294	25,540	3,246	24,500
Revenue	(34,256)	(43,272)	(9,016)	(35,866)
Net Revenue	(11,962)	(17,732)	(5,770)	(11,365)
5.2.6 Community centres and halls				
Expenditure	3,248	3,201	(47)	3,010
Revenue	(364)	(231)	133	(281)
Net Expenditure	2,884	2,970	86	2,729

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
5.2.1 Libraries ³				
Expenditure	4,566	4,948	382	2,255
Unspent portion of budget to be carried forward	N/A	950	-	N/A
5.2.5 Housing ⁴				
Expenditure	14,940	14,888	(52)	19,167
Unspent portion of budget to be carried forward	N/A	15,505	-	N/A
5.2.6 Community centres and halls				
Expenditure	146	154	8	19
Unspent portion of budget to be carried forward	N/A	-	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Over budget due to lower revenue and higher labour costs.
- 2 Under budget due to the timing of the recognition of the Crown grant for the Housing Upgrade Project.
- 3 Under budget due to delays with the Johnsonville Library upgrade and development work on the Library computer system.
- 4 Under budget due to delays in the Housing renewal programme and the Housing upgrade at the Arlington complex.

5.3

Public health and safety

Hauora tūmatanui me te haumanu

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

WHAT WE DO AND WHY

Public confidence in the safety of the city's streets and suburbs is a top priority. Wellington has a reputation for being a safe city with a vibrant CBD, which we wish to retain. Wellington's location makes earthquake-preparedness particularly important, though the city is also at risk of other civil emergencies, such as flooding and tsunamis. We have legislative obligations to maintain public health standards by regulating food and liquor outlets, animals, trade waste and managing environmental noise problems. We also provide public toilets, cemeteries and crematorium services as a vital public health function.

Our activities include:

- Burials and cremations - cemeteries at Karori and Makara with a crematorium at Karori Cemetery
- Public toilets - 70 public toilets, beach and sportsfields changing rooms/pavilions
- Public health regulations - Regulating food and alcohol, animal, trade waste and managing environmental noise issues. and responding to environmental nuisance complaints
- City safety - Maintaining WHO Safe City accreditation and providing a 'city hosts' service, managing graffiti and supporting community initiatives
- Wellington Regional Emergency Management Office (WREMO)

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Cemeteries provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs• Public toilets are located conveniently throughout the city protecting residents from health hazards• Legislative public health regulations protect us from a variety of public health hazards• City safety activities promotes individual wellbeing, safe neighbourhoods and a safer inner city• Wellington Regional Emergency Management Office and Rural Fire works with all sectors of the community to ensure we are well-prepared for earthquakes and other natural disasters

Did you know?

The City Council Cemetery records date back to 1849, including the records from the Bolton Street Cemetery, now Bolton Street Memorial Park.

OUR KEY ACHIEVEMENTS

We undertook work in our Kaori and Makara cemeteries and continued to provide services for a wide range of communities and beliefs

We completed earthquake strengthening on the two chapels (including the crematorium building) and the staff depot building at Karori Cemetery. We also replaced the cemeteries cremator unit and added more gardens to the Seaforth Memorial Gardens. At Makara Cemetery, we added new headstone beams in several of the denominational sections.

We improved public toilets located conveniently throughout the city protecting residents from health hazards

We undertook maintenance work on some of our public toilets. In addition, we improved our response rate to requests and exceeded our targets for cleanliness and maintenance.

Work continued on legislative public health regulations to protect residents from a variety of public health hazards

We engaged with the hospitality industry around the changes arising from the Food Act which came in effect on 1st March 2016.

We have 1933 active Health Licences which included food premises of all types, hairdressers, swimming pools, funeral homes and animal boarding establishments. Food premises such as restaurants, cafes, takeaways, caterers, butchers, delicatessens and fishmongers totalled 1175. Of these 1175 premises, 514 held an excellent grade. There were eight cleaning notices issued to premises during the course of the year and two premises were issued closure. This compares to one closure and 17 cleaning notices in 2014/15.

To help customers apply for their food and alcohol licences, we have also put a large number of our application forms online.

We exceeded our target for the percentage of inspections of medium, high and very high risk premises (alcohol licensed premises) that were carried out during peak trading hours. However our performance was lower than 2014/15. This is because of the change in performance criteria as a result of the enactment of Sale and Supply of Alcohol Act 2012. This change resulted in an increase of 190 inspections over the year.

For the 2015/16 year more peak time inspections were carried out but resulted in a lower percentage in relative terms because of the significant increase in the number of premises in the criteria.

During the year we consulted with residents on the review of our animal bylaw and dog policy.

We undertook a number of city safety activities to promote individual wellbeing, safe neighbourhoods and a safer inner city

Our Local Hosts celebrated their third anniversary. As city ambassadors, the hosts were busy on the streets, helping increased numbers of tourists, assisting at events and festivals and being on hand to support city centre users including students and other young people. Over the year the team extended its reach to the waterfront and continued to visit the suburbs, concentrating on Kilbirnie and Newtown. Our hosts helped identify city hotspots and worked with the Police, social sector and other agencies to assist people in need, sharing relevant information to achieve an integrated approach.

Case Study

Local Hosts - Customer Service

Our Local Hosts are on the streets of Wellington 7 days and 4 nights a week, helping people with directions and information, and checking in with retailers. One of the most important functions they perform is linking homeless people with social services.

They also deal with abuse and violence regularly, and are often the first people on the scene when people need assistance. One of our Local Hosts received a Safety in the City award in October after helping to save the life of a person under the influence of drugs.

While it's not always high drama, the Local Hosts' job requires them to engage with everyone - from helping tourists with directions through to working with door staff to make sure people get home safely and preventing incidents from escalating. They also have a relationship with Police, and have assisted them in locating people wanted for arrest.




Working with the justice sector and community organisations such as the Red Cross, we continued to be a key partner in a city wide project aimed at reducing family violence. We have also developed a pilot project focussed on refugee and migrant communities due to begin in the 2017 financial year. Our innovative ‘Eyes On’ partnership with the Police and city retailers made significant progress. The project was expanded from Cuba Street into the wider CBD and Johnsonville. Pharmacies became the latest group to join the scheme, which now has approximately 350 members.

We launched our new volunteer graffiti removal programme “Blank it Out”. The aim of the programme is to increase the amount of graffiti removed from private property, at the same time as encouraging more community ownership and pride. Recruiting individual residents to volunteer, as well as neighbourhood groups, businesses, schools, and service organizations and clubs is a key component of this programme. “Blank it Out” is an effective way to engage clusters of volunteers in ongoing graffiti clean-up, rather than just a one-time paint out. This initiative will also help keep targeted locations graffiti-free. Volunteers commit to activities ranging from spotting and reporting graffiti, to coordinating local removal projects. People can register as an individual or as part of an existing community group, and there are no minimum time requirements or expectations. We exceeded our response rate target for graffiti removal.

We continued to work with the WREMO to ensure we are well-prepared for earthquakes and other natural disasters.

Our emergency Welfare Team continued to work to prepare us for a future emergency and to ensure people and animals have the support they need in a civil defence emergency. We updated the Emergency Preparedness Poster to include the new Wellington Water Ltd recommendations for the amount of water to be stored in preparation for an emergency. This poster was developed in collaboration with community stakeholders and shows alternative Drop, Cover, Hold options for people with accessibility and mobility issues. The poster is largely pictorial and can easily be understood by a wide range of people including culturally and linguistically diverse communities. We partnered with the Citizens Advice Bureau to support our welfare registration and volunteers process in case of an emergency. We have identified over 45 buildings that could potentially be used as welfare assistance centres during an emergency event. These centres will provide assistance for people and animals in an emergency, for example food, accommodation and connecting to Work and Income. Lastly, we continue to provide welfare support for people during localised emergencies in Wellington.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Response times for graffiti removal	85% 	80%
		2014/15 PERFORMANCE
		New Measure in Long-term plan

Source: WCC City Communities

We supported the Zeal Education Trust to trial the Youth Host initiative. This project saw a team of youth workers out in the CBD from 8pm to 1am on Friday nights connecting with young people and the wider community. During its pilot period, between May and October 2015, Zeal’s Youth Host team spent 155 hours over 31 nights working with detached youth. Following the success of the pilot project the Youth Host team have continued their work in Wellington’s CBD on Friday nights.

We supported several other initiatives focussed on improving safety within the city including the establishment of the Pasifika Community Patrol, Suburban Community Patrols, and Safer Places. We also worked closely with Police to deliver specific safety campaigns such as the successful window shoppers campaign to reduce theft from cars in the CBD.

Case study

Supporting student learning on graffiti vandalism

In 2013 we created a new position within Community Services - Graffiti Programme Advisor. This role's responsibilities include devising and implementing a Graffiti Vandalism Management Plan. This plan would encourage collaboration with the Police and wider community to prevent acts of graffiti vandalism and interrupt its potential as a "gateway" crime.

In the first months of the plan's development, the Graffiti Programme Advisor was contacted by the Head of Geography at Rongotai College. They asked if the Council would support their Year 12 class with a student-driven assignment to understand the geographic spatial pattern of graffiti vandalism within the Wellington urban area. The assignment would also contribute to overall NCEA marks for Level 2 Geography. With a commitment to taking a preventative approach (one of the four key pillars of the overall management plan), a partnership with the college began, which has continued every second school term since 2014.

This school term, the Council supported the students' learning through a field day, which included meeting with Police and City Arts, and a walking tour through Wellington by the Inverlochy Art School to understand the difference between Council-commissioned graffiti art and graffiti vandalism.

In June, four students presented to the Community, Sport and Recreation Committee on behalf of the 40 Year 12 students involved. They told Councillors how they had used the history of graffiti alongside data provided via the Council's Stop Tags database of graffiti hotspots to decipher for themselves the patterns and possible reasons for them. This inquiry-based learning encouraged the boys' own critical thinking, which was spot on. As one student reported to the Committee: "We were able to pick Hine's brain heaps and she was able to confirm our thoughts on why graffiti was in some places and not others."

The partnership work with Rongotai College has also been documented within a teaching resource, "Geography in Focus", a guide for issues-based learning co-authored by Louise Richards. The Council will continue to support this programme for as long as required, to help students better understand graffiti, the reasons it occurs and the impact it has on Wellington.



OUR PERFORMANCE

Quality and usage of public health and safety services and programmes

Our response to urgent requests from the public, and the cleanliness and maintained state of our public toilets met or exceeded their targets. Our response rate to urgent requests exceeded our performance last year. We achieved our target for peak trading hour inspections of high risk premises although this figure declined from last year. Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
5.3.1 Burials and Cremations				
Expenditure	1,626	1,648	22	2,310
Revenue	(764)	(803)	(39)	(816)
Net Expenditure	862	845	(17)	1,494
5.3.2 Public Toilets¹				
Expenditure	3,048	2,661	(387)	2,614
Revenue	-	-	-	-
Net Expenditure	3,048	2,661	(387)	2,614
5.3.3 Public Health Regulations				
Expenditure	5,188	5,276	88	4,675
Revenue	(3,266)	(3,211)	55	(3,089)
Net Expenditure	1,922	2,065	143	1,586
5.3.4 City Safety				
Expenditure	2,791	2,674	(117)	2,234
Revenue	(51)	-	51	(46)
Net Expenditure	2,740	2,674	(66)	2,188
5.3.5 WREMO				
Expenditure	1,394	1,337	(57)	1,322
Revenue	(20)	(43)	(23)	(34)
Net Expenditure	1,374	1,294	(80)	1,288

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
5.3.1 Burials and Cremations²				
Expenditure	445	446	1	173
Unspent portion of budget to be carried forward	N/A	300	-	N/A
5.3.2 Public Toilets³				
Expenditure	295	295	-	865
Unspent portion of budget to be carried forward	N/A	-	-	N/A
5.3.5 WREMO⁴				
Expenditure	72	95	23	-
Unspent portion of budget to be carried forward	N/A	-	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Over budget due to higher depreciation costs.
- 2 Under budget due to delays in replacing the cremator at the Karori Cemetery.
- 3 Under budget due to delays in works on Hataitai softball and Kelburn park pavilions.
- 4 Under budget due to asset purchases being lower than expected.

SOCIAL AND RECREATION - OVERALL SUMMARY

Some progress was made in this activity area. Customer satisfaction with our housing services and facilities is high, as is utilisation of the ASB Sports Centre and pools. However, there is room for improvement - there have been a number of delays to capital projects and feedback on the usage of some of our facilities needs to be factored into future planning.

6

Urban Development Tāone Tupu Ora

Preserving Wellington as a compact, vibrant and attractive city, now and into the future

BY THE NUMBERS

205,199

Wellington's population forecast for 2016 and an increase from 200,000 in 2014. ²⁷

URBAN DEVELOPMENT - AT A GLANCE

<p>Outcomes</p>	<p>Connected-city</p>	<p>People-centred city</p>	<p>Eco-city</p>	<p>Dynamic-city</p>
<p>Relevant LTP objectives</p>	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure;</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement; and</p> <p>Achieving ongoing efficiencies from shared services and improved customer experiences.</p>			
<p>LTP key activities</p>	<p>Urban planning, heritage, and public spaces (including waterfront development).</p>	<p>Building and Development control.</p>		
<p>Relevant LTP projects</p>	<p>Urban regeneration; Urban regeneration agency; Protecting Wellington’s heritage buildings; City resilience; Revitalising Civic precinct and strengthening Town Hall; Cheering up streets and laneways; Waterfront Development Plan and Frank Kitts Park; and Medium density housing.</p>			
<p>Operational expenditure</p>	<p>Operational expenditure (as per financial summary).</p>			

The Council's urban development work includes urban planning, controlling building activity and land use, assessing risks from earthquake-prone buildings, and developing and enhancing public spaces. We provide public spaces and infrastructure, and regulate to plan and control development so the city can support a strong economy and a high quality of life, in an environment that is both attractive and sustainable. All of this work involves partnerships with developers and home owners who want to build or extend, with commuters going to and from work or school, with businesses taking goods to market, and with everyone who lives, works and plays in the city.

Our work helps to make Wellington a compact, vibrant, attractive city in which it is easy to get from place to place, whilst also reducing adverse effects on the environment. This work is crucial for ensuring people's health and safety in the buildings they live and work in, and in the public spaces they use. It is also vital for the environment, because a city with a smaller carbon footprint produces fewer emissions and consumes fewer resources.

We fund these services because they matter to the lives of individual Wellingtonians, and to the community as a whole. They help to protect the most vulnerable people, keep people safe and healthy, and strengthen communities. These activities also provide opportunities for people to live healthy lifestyles, to reach their potential, and to enjoy themselves.

Did you know?

We now have a Wellington eDistrict Plan. The 'ePlan' replaces the original 3 folder hard copy of the District Plan and the online version that comprised up to 150 separate PDF documents. The ePlan means you can now filter the District plan based on the property you are enquiring about. You can check it out here: <http://eplan.wellington.govt.nz/#!Start>.

6.1

Urban planning, heritage and public spaces development

Whakahaerenga whare me te whanaketanga

Wellington is a compact, vibrant, attractive and safe city – and we want to keep it that way

WHAT WE DO AND WHY

Urban planning provides guidance on how and where the city should grow. It's important this retains the things residents like about Wellington, its compactness, the “heart” around the city centre and harbour, and the character of its hillside residential areas.

The Council is required to prepare a District Plan under the Resource Management Act 1991. The District Plan is the main document used for managing land use and development within the Council's territorial boundaries.

We also look after public spaces, including the waterfront. Development of public spaces enhances people's enjoyment of the city and contributes to our civic pride and 'sense of place'.

Our activities include:

- Planning and policy development
- Waterfront development
- Public space and centres development
- Built heritage development

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• The waterfront offers safe open spaces that welcome and engage people encouraging them to stay• Heritage buildings contribute to the city's distinct identity and enhance its sense of place
Dynamic-city	<ul style="list-style-type: none">• Public spaces are important and provide accessible opportunities for relaxation, recreation and leisure for residents and visitors. High quality developments make the city a more attractive place to be
Eco-city	<ul style="list-style-type: none">• Urban planning is focussed on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices

Did you know?

Wellington was ranked as the 12th most liveable city in the world by the 2016 Mercer Quality of Living Index.

OUR KEY ACHIEVEMENTS


Work continued on the waterfront as part of our City Shaper to provide safe open spaces that welcome and engage people encouraging them to stay

As part of the proposed redevelopment of North Kumutoto and Frank Kitts Park, the Environment Court granted resource consent (to Willis Bond and the Council) for the development of a building at site 10 (10 Waterloo Quay), and for the North Kumutoto public space. In May 2016 a ground breaking ceremony was held for site 10 and construction commenced in June 2016. The detailed design for the North Kumutoto public space is underway with construction to commence in October 2016. Completion of the building and public space is planned for mid-2018.

During the year work continued on the design for the proposed redevelopment of Frank Kitts Park. The redevelopment includes renewal of the children's play area, development of a recreation and events friendly

“Harbour Lawn”, and the incorporation of a long-planned Chinese Garden. We continued liaising and coordinating with the Wellington Chinese Garden Society in regard to fundraising initiatives for the Chinese Garden. A resource consent application was lodged and public submissions made during June 2016.

External re-cladding of the TSB Bank Arena building to address weather tightness issues was also completed. The southern end of the building was altered to provide a small retail kiosk and public toilet facility. An overwhelming majority of residents rate their waterfront experience as good or very good.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage residents who rate their waterfront experience as good or very good	92% 	90%
		2014/15 PERFORMANCE
		94%

Source: WCC Residents' Monitoring Survey 2016

We completed work in public spaces that are important and provide accessible opportunities for relaxation, recreation and leisure for residents and visitors

August 2015 marked the completion of our \$11 million project to revitalise the southern end of Victoria Street (between Dixon and Abel Smith streets). Transformation of the street to provide vibrant public spaces and essential underground services also supports long-term investment in the area.


Cable Car Lane is one of Wellington’s most visited tourist destinations and receives approximately 1.2 million visitors per year. To highlight the significance of this historic feature, and to create a better visitor experience, we worked with the Wellington Cable Car Ltd. and local property owners to upgrade the lane. The work makes Cable Car Lane more visible, improves access to the cable car, and improves ventilation and natural lighting. Designs were developed and consulted on during early 2016 and demolition of the existing canopy started in June 2016. To reduce disruption to the public and local businesses, works to the laneway were timed to coincide with the first major upgrade to the cable car.

Lombard Lane and Denton Park are being revitalised to create a more attractive pedestrian environment and support local businesses. During 2015/16 we developed detailed designs, in consultation with the public, for better surfaces, lighting and greenspaces. Tender and delivery of this project will occur during 2016/17 to allow works on the adjacent Victoria Street development (Cook Strait Properties) to be substantially complete.

We also undertook the following smaller laneway activation projects throughout the city:

- Eva and Leeds streets - located in the Cuba Street area these streets are home to a number of apartment buildings and emerging local businesses. The upgrade, completed in December 2015, included lighting, street paint, and planting to celebrate the laneways’ rich local heritage.
- Masons Lane - an important pedestrian link between Lambton Quay and The Terrace, this pathway has been given feature lighting, a living green wall, timber cladding, paving work and an intensive deep-clean. Launched in December 2015, the upgrade also saw the introduction of a digital art screen to showcase temporary video works by local artists.
- Bond Street - located in the central business district, Bond Street received a refresh in May 2016 consisting of a fresh coat of street paint, new “parklet” seating area, and the addition of a community garden space.
- Egmont Street - also near Cuba Street, Egmont Street was revitalised with artworks, improved lighting and surfaces, street furniture and greening during 2016.
- Cuba Connection - improvements in the form of lighting and “greening” to create a more inviting pedestrian environment, and improve safety, were completed in July 2016.
- Garret Street and Swan Lane - concept designs were developed to create vibrant public spaces and reinforce key pedestrian connections either side of Cuba Street. Designs will be further developed in consultation with the local community for construction in 2016/17.

The majority of residents agree the central city is lively and attractive.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents who agree the central city is lively and attractive	85% 	87%
		2014/15 PERFORMANCE
		86%

Source: WCC Residents' Monitoring Survey 2016

Did you know?

Through our Urban Activation Fund we did the following:

- We installed cycle parking hoops at twelve locations within Wellington CBD, Kilbirnie and Newtown. The brightly coloured hoops add a bit of fun to the street and allow cyclists to secure their bikes against theft or tipping over in strong winds
- We worked with local artist John Fuller and Kilbirnie-based metal fabricators AE Tilley to develop feature signage to highlight the western entrance to Miramar and Maupuia
- We installed a ‘Honeycomb’ greenwall, developed by local designers Pollen, on Egmont Street to bring some much needed greenery to the CBD
- We launched the Bond Street community gardens with a “Garden Party” event featuring music, children’s entertainment, worm farm making, plant giveaways and environmental activities. The community gardens provide a space for local residents and volunteers to grow and tend fruit trees, herbs and vegetables
- We gave Plimmer Steps a facelift with a deep clean, refurbished planting and fresh coat of paint on the Brig Gertrude fountain

Urban planning is focussed on intensive urban development and alongside our urban containment policies are designed to prevent sprawls and enhance our transport and lifestyle choices

To help increase housing supply we are identifying SHAs. These are areas where we can offer qualifying developments a streamlined resource consenting path (through the Housing Accords and Special Housing Act. To date we have created four tranches of SHAs - comprising 25 areas. These areas focus on our existing growth areas or are sites already zoned for residential development.

Focussing in these areas ensures development is planned and contained within the overall urban area and provides for a range of housing types. During 2015/16 we approved a further four SHAs, including Shelly Bay, where we expect a high quality housing and mixed use development to be lodged in 2016. Our ‘Housing Choice and Supply’ programme will also help to provide additional affordable houses and different housing options in areas close to shops, community facilities and services, and public transport. In 2015/16 we consulted with five different communities as part of this programme. We already have medium density housing areas in Kilbirnie and Johnsonville and are currently prioritising Newlands and Tawa.

Building Our Resilience

Wellington has been selected as one of the Rockefeller Foundation 100 Resilient Cities (100RC). Under the 100RC arrangement, Wellington is provided with support to develop a Resilience Strategy, and to commence implementation. 100RC provides support to the value of \$US1 million to the City for this purpose, although not all of this support goes directly to Council. The strategy development process is public-facing and involves several sectors of the community as well as our partners GWRC, Hutt City Council and Porirua City Council. A Steering Group of experienced Wellingtonians provides oversight to the strategy development process.

Progress on the strategy will be considered by Council in September 2016, and the strategy approved by February 2017. The strategy will build on four areas of focus: earthquake recovery, adapting to sea level rise, quality of life and economic prosperity. Rather than replicating the substantial work that is already underway in these areas, the strategy aims to augment that work, and to boost existing efforts. Once developed, 100RC will provide support for the initial implementation of the Strategy.

The strategy is consistent with our Long-term plan’s commitment to improve Wellingtons resilience: investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient.

The types of resilience activities undertaken during 2015/16 includes operational and new capital projects; capital renewals (e.g. including upgrades to infrastructure such as our roads, tunnels and bridges in order to maintain existing levels of service); seismic assessment of key Council-owned buildings (including earthquake strengthening of the Town Hall, Central Library and Council offices which forms part of the revitalisation work we are carrying out on the Civic Precinct); planning for emergency response and restoration of key life line, and planning for hazards and climate change.

OUR PERFORMANCE

Quality of our urban planning, heritage and public spaces: We exceeded our target for residents satisfied with their waterfront experience, although the number was lower than last year. We did not meet our target for residents who agree the central city is lively and attractive, and the figure was slightly lower than last year. Our residents don’t agree our suburban centres are lively and attractive and we were significantly below target on this issue. We will continue to work with residents on projects such as our Business Improvement Districts to improve suburban centres. Further detail can be found in the section ‘Measuring our Performance’.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
6.1.1 Urban Planning and Policy				
Expenditure	2,089	2,277	188	1,667
Revenue	(25)	(20)	5	(13)
Net Expenditure	2,064	2,257	193	1,654
6.1.2 Waterfront development¹				
Expenditure	1,618	933	(685)	-
Revenue	(299)	39	338	-
Net Expenditure	1,319	972	(347)	-
6.1.3 Public spaces and centres development				
Expenditure	2,136	2,169	33	2,437
Revenue	2	-	(2)	(167)
Net Expenditure	2,138	2,169	31	2,270
6.1.4 Built heritage development²				
Expenditure	1,264	1,498	234	863
Revenue	-	-	-	-
Net Expenditure	1,264	1,498	234	863

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
6.1.1 Urban Planning and Policy				
Expenditure	-	-	-	-
Unspent portion of budget to be carried forward	N/A	-	-	N/A
6.1.2 Waterfront development³				
Expenditure	3,348	3,350	2	2,466
Unspent portion of budget to be carried forward	N/A	5,478	-	N/A
6.1.3 Public spaces and centres development				
Expenditure	2,049	848	(1,201)	16,466
Unspent portion of budget to be carried forward	N/A	1,020	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Over budget due to professional fees incurred on several major projects.
- 2 Under budget due to lower than anticipated labour and contract costs.
- 3 Under budget largely due to delays in the refurbishment of TSB/Shed 6 and Frank Kitts Park development.

6.2

Building and development control

Māherehere tāone, whanaketanga wāhi tuku- ihotanga, wāhi tūmatanui

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

WHAT WE DO AND WHY

We control building and development work according to the provisions of the Building Act, and the District Plans developed under the Resource Management Act. These controls are necessary to ensure that buildings are safe and compliant with the Building Code that resources are used sustainably for future generations, and that public health and safety is protected. They're also needed to protect urban character and to preserve the city's heritage.

We also have a statutory requirement to administer an Earthquake-prone Buildings Policy. The policy sets out processes to identify buildings that are below the required earthquake standards, and the requirements and timeframes for building owners to bring them up to the necessary standard.

Our activities include:

- Building control and facilitation (building consents)
- Development control and facilitation (resource consents)
- Earthquake risk mitigation - built environment

Over the year these activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• Under the Building Act and codes we protect public health and safety, and protect future users of land and buildings• Under the Resource Management Act and District Plan, we control work to ensure resources are used sustainably, public health and safety, and to protect future users of land and buildings. It also protects urban character and preserves the city's heritage• Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure
Eco-city	<ul style="list-style-type: none">• We promote intensive development, rather than sprawl into green spaces, and encourage the greening of streets, buildings and places

Did you know?

The value of commercial building consents has consecutively increased over the last 3 years. The value of commercial space in 2013/14 was \$271 million and is \$359 million in 2015/16.

OUR KEY ACHIEVEMENTS

We worked on the Building Act and codes to protect public health and safety, and protect future users of land and buildings

Working with central government, we lodged submissions to the following policy and proposed legislative changes: Rules Reduction, Fencing and Swimming Pools, and Licensed Building Practitioners Board. We also help other building consent authorities - Auckland, Christchurch, Kapiti, Wanganui and Westland - by providing inspections and/or consenting services.

Did you know?

We have retained our Building Consent Authority Accreditation since 2010/2011.

Wellington's high earthquake risk means this work is critical. It protects public safety, as well as preserving the city's heritage and the economic investment made in buildings and infrastructure

We continued our work to make Wellington safer through earthquake risk mitigation work. We did this by issuing notices to earthquake-prone buildings under the Building Act. At the end of this year we had 663 earthquake-prone buildings. The owners of two of these buildings are challenging the issuing of the notice through the determination process in the Building Act 2004. As these determinations are challenging the issuing of an earthquake prone building notice, further issuing of notices during 15/16 was put on hold pending a final decision on both determinations. The determinations upheld our process however both determination decisions are now being challenged in the courts. We are currently preparing our response to both court appeals. New legislation has been passed by Parliament and is awaiting commencement, which is expected to occur in June 2017. The legislation introduces a new standardised process for the assessment and management of earthquake-prone buildings that all councils will need to adopt.

Under the Resource Management Act and District Plan we controlled work to protect the urban character and preserve the city's heritage

Our Built Heritage Incentive Fund helps owners of buildings on the District Plan heritage list, or within heritage areas, maintain their buildings. The fund has \$3 million to allocate over 3 years. A total of 15% of the fund is reserved for conservation-specific work and 85% for work related to earthquake strengthening. Through the fund we supported 24 projects with \$980,000 of grants, these included: St Mary of the Angels on Boulcott Street, the Quaker Meeting House in Mt Victoria, buildings within the Cuba Street area, and other conservation projects²⁸.

Did you know?

Resident's perceptions that heritage items contribute to the city's character was 86% in 2014 and increased to 92% in 2016. Residents perceptions that they contribute to a local communities character was 67% in 2014 and 72% in 2016.²⁹

We also funded the seismic restoration of the chimney on the historic Overseers Cottage at the Botanic Garden, and the grave and memorial restoration programme for Bolton Street Cemetery.

OUR PERFORMANCE

Timeliness of building and development control services:

We exceeded our targets for investigating excessive noise complaints and monitoring of resource consents. These results were however lower than last year. We met our targets to issue non-notified resource consents and subdivision consents in statutory timeframes, and actioned environmental complaints within 48 hours. Our performance was consistent with last year. We didn't meet targets to issue building consents, codes of compliance and LIMs within statutory timelines. The timeliness of our building consents was lower than last year because numbers increased in the second half of the year and coincided with a period of recruitment and training of new staff. The timeliness for our codes of compliance was the same as last year. Over the year we issued 2139 codes of compliance with 74 not issued in the statutory timeline, of these 19 were historical issues that have subsequently been fixed. We are improving monitoring systems to improve our performance. Our LIMs performance improved since last year - a good result in light of the high volumes of requests. We were above our target for monitoring resource consents within 3 months of work commencing on site, although our performance was not as good as last year. Whilst the requirement to notify us of work starting on site is a condition of consent, we are not always notified. We often pick these up when the building consent is lodged for the work.

Quality of our building and development control services and progress on earthquake mitigation:

The majority of our customers were happy with our building control services and we exceeded our target for this measure. This reflects the effort we put into helping our customers through their building consent and associated processes. None of our earthquake prone building notifications were successfully challenged over the year. Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

28 See: <http://wellington.govt.nz/services/community-and-culture/funding/council-funds/built-heritage-incentive-fund>.

29 WCC Residents' Monitoring Survey 2016

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
6.2.1 Building Control and Facilitation¹				
Expenditure	13,570	13,809	239	12,542
Revenue	(9,251)	(9,152)	99	(8,972)
Net Expenditure	4,319	4,657	338	3,570
6.2.2 Development Control and Facilitation				
Expenditure	5,807	5,981	174	5,685
Revenue	(2,552)	(2,899)	(347)	(2,367)
Net Expenditure	3,255	3,082	(173)	3,318
6.2.3 Earthquake risk mitigation - built environment²				
Expenditure	1,323	1,710	387	1,823
Revenue	-	-	-	-
Net Expenditure	1,323	1,710	387	1,823
CAPITAL EXPENDITURE (\$000)				
6.2.3 Earthquake risk mitigation - built environment³				
Expenditure	2,224	2,175	(49)	4,036
Unspent portion of budget to be carried forward	N/A	5,287	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Under budget due to higher building consent revenue and lower labour costs.
- 2 Under budget due to lower costs of grants and professional advice.
- 3 Under budget due to delays in the Earthquake Strengthening Programme, in particular the St James Theatre.

URBAN DEVELOPMENT - OVERALL SUMMARY

Progress was made towards this activity area in year one of the LTP. Importantly, customer satisfaction improved for our building control services which improves investment confidence and boosts economic gains. To maximise these benefits, improvements are needed to timeframes for issuing building consents. Significant improvements were made through the activation of city laneways. There were, however, delays to capital expenditure projects due to an underestimation in actual project costs. We need to improve in this area. Our activities in this area, once we have approved and begun to implement our Resilience Strategy, have the potential to make a greater contribution to the achievement of our outcomes in the future.

7

Transport Waka

Delivering an efficient and safe transport system that connects people and spaces

BY THE NUMBERS

9,621 and 55,120

Number of cyclists and pedestrians entering the Central Business District during the week. This compares to 10,515 and 54,319 in 2014/15.

TRANSPORT - AT A GLANCE

<p>Outcomes</p>	<p>Connected-city</p>	<p>People-centred city</p>	<p>Eco-city</p>	<p>Dynamic-city</p>
<p>Relevant LTP objectives</p>	<p>“Investing to grow” through establishing a programme of major projects that grow the economy and deliver returns on investment;</p> <p>Investing to maintain and improve existing services, including making infrastructure more resilient and the city’s transport system more efficient;</p> <p>Increasing the use of existing assets rather than spending on new infrastructure;</p> <p>Improving asset management practices to better manage risk and the timing of asset replacement; and</p> <p>Achieving ongoing efficiencies from shared services and improved customer experiences.</p>			
<p>LTP key activities</p>	<p>Transport.</p>	<p>Parking.</p>		
<p>Relevant LTP projects</p>	<p>Better transport options; Vehicle network.</p>			
<p>Operational expenditure</p>	<p>Operational expenditure (as per financial summary).</p>			

The Council’s transport work includes transport planning, managing the city’s assets and network of roads, cycleways and walkways, managing parking in the city and promoting safety.

Our work is essential for people’s ability to interact with each other, and their enjoyment of the city and what it has to offer. It is necessary for the economy, the ability of businesses to reach their markets, and to promote collaboration and innovation.

7.1

Transport Waka

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

WHAT WE DO AND WHY

Wellingtonians are the highest users of public transport in New Zealand and between 200,000 and 300,000 people use some form of the city's transport network daily. Among other things, our transport network offers Wellingtonians bridges, tunnels, bus shelters and approximately 18,000 street lights.

An effective public transport network helps reduce congestion and the city's carbon emissions. A high proportion of residents walk and cycle to work, thereby reducing private vehicle usage.

Our activities include:

- Transport planning - we plan for an efficient transport system that allows people and goods to move freely within and throughout the city
- Vehicle network - we provide 684 kilometers of road, 54 road bridges (road and pedestrian), 5 tunnels and 2,397 walls
- Passenger transport network - we provide 450 bus shelters, 1,323 bus stops and bus lanes on key bus routes
- Pedestrian and cycle network - we provide 24.3 kilometers of cycle ways, 858 kilometers of pedestrian paths, and 132 kilometers of handrails, guardrails and sight rails
- Road safety - we provide 21,499 signs and 111 traffic signals

These activities contribute to the following outcomes:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none">• The transport, vehicle, cycle, passenger transport, pedestrian, network control system and road safety activities provides people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure
Connected-city	<ul style="list-style-type: none">• The transport, cycle, vehicle, pedestrian and network control system networks provide accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade
Eco-city	<ul style="list-style-type: none">• The transport, passenger transport, cycle, pedestrian networks and network control systems reflect our commitment to sustainable, safe and efficient transport choices
Dynamic-city	<ul style="list-style-type: none">• Our transport, passenger, pedestrian and cycle network that allows easy movement of people and goods is vital for business and a significant competitive advantage• The vehicle, passenger transport and cycle network provide for easy and affordable movement to and around the central city

Did you know?

We continued our 'business as usual' work which saw us:

- Respond to over 37,250 requests for service in relation to drainage, street lighting, minor flooding, street and footpath cleaning, litter, recycling, minor maintenance to seats, bins and cycle racks, requests for new items as well as clearing berms, road side vegetation and slips
- Renew over 22 kilometres of footpath, nearly 11.5 kilometres of kerb and channel and repair or replace nearly 7.5 kilometres of handrails and safety rails
- Resurface 59.1 kilometres of road carriageway
- In our capacity as the Road Controlling Authority we processed over 6,400 Corridor Access Requests and 3,700 Traffic Management Plans
- Install, refurbish or repair approximately 250 seats, 175 litter bins, 30 bollards and 50 cycle racks
- Along with nearly 70 kilometres of centrelines and broken yellow lines we replaced 53 accessibility park symbols, 70 pedestrian crossing diamonds, 750 cycling related road markings, 1,000 direction arrows and 300 'Give Way' symbols

OUR KEY ACHIEVEMENTS

We provided a transport, vehicle, cycle, passenger transport, and pedestrian network giving people accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure

We carried out work in a number of areas in the city including:

- Bidwell Street road carriageway and stormwater pipes where heavy rains in April/ May 2015 caused the bank to fail and the road's support to be undermined
- Kaori Road (between Flers and Lancaster Streets), where we built a retaining wall, moved overhead services underground to improve motorist visibility, and installed new handrails and LEDs to make the area safer for residents
- Island Bay seawall where strengthening was required as a result of storm damage. This repair work ensures the wall is more resilient to future heavy seas and storm events, and was undertaken to respect the heritage significance of the seawall
- The Drive, Tawa where we replaced a pedestrian bridge, constructed a new retaining wall, and renewed the handrail and footpath area
- Breaker Bay Road where residents were experiencing disruptions from frequent storms and high swells in April/May 2015. A long-term solution in the form of a rock revetment structure was constructed to minimise wave damage and protect the carriageway, kerb, channel and footpath

In addition to the above we built new retaining walls in Khandallah, Horokiwi, Takapu Valley and Takarau Gorge, and renewed bridges or retaining walls in Karori, Ohariu Valley, Strathmore, Miramar, Johnsonville, Highbury and Brooklyn.

Through our CCO - Wellington Cable Car Ltd - we provided accessible and safe transport choices.

WELLINGTON CABLE CAR LIMITED

The Wellington Cable Car Limited (WCCL) was formed in April 1991 in response to legislation that prevented a local authority from owning and operating the Cable Car as a transport activity.

Relevant Council outcomes

People-centred city

The transport, vehicle, cycle, passenger transport and pedestrian networks, the network control system, and road safety activities provide people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure

Key activities

- The company owns and operates Wellington's iconic Cable Car passenger service. Its passengers include local residents (commuters and students) and domestic and international visitors to Wellington. This operation is financed from passenger fare income and any additional revenue developed from WCCL and Wellington City Council tourism-related activities. Ongoing marketing initiatives are seen as a key part of the future success of the Cable Car. This also includes potential further investment in retail, merchandising and event hosting activities (such as weddings)
- Trolley bus traction services by means of the overhead electrical network for use by Trolley Buses in Wellington are provided under contract from GWRC, using Broadspectrum (rebranded name for Transfield Services Limited) as the maintenance services provider. This operation is financed from payments by GWRC on a cost recovery basis, to cover planned maintenance, reactive defect rectification and progressive replacement of severely degraded sections of the overhead electrical network. This also includes:
 - Infrastructure-related activities undertaken within Wellington on a profit-making basis, namely:
 - Projects initiated by parties other than GWRC requiring the overhead electrical network to be relocated and/or modified (for example, the Victoria University Pipitea campus construction project)
 - Protection of the trolley bus overhead electrical network from damage by escorting high loads through the city and protection of parties requiring safe access in proximity to overhead lines by electrical de-energisation
 - Maintaining WCCL's pole network funded via a combination of support from GWRC and pole user charges from telecommunications companies using WCCL's poles to support their broadband networks

Key achievements


The transport, vehicle, cycle, passenger transport and pedestrian networks, the network control system, and road safety activities provide people with accessible and safe transport choices, from their homes to shops, for work, recreation and pleasure

- The Cable Car earned a record high total revenue for the year
- The trolley bus traction services division completed the roll-out of the Trolley Bus overhead protection project and the decommissioning of the Hataitai Loop

2015/16 Financial Information

Operational Grant: nil

Capital Grants: \$1,509,011 for the cable car electric drive replacement project

INTERESTING FACT	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Total Passengers	1,044,804 	1,010,905
		2014/15 PERFORMANCE
		976,416

Source: Wellington Cable Car Ltd

We provided a transport, cycle, vehicle and pedestrian network giving accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce and trade

We undertook improvements work on a major section of road in Johnsonville - the Johnsonville Triangle Upgrade. This project means less traffic congestion in the town centre and reduced peak-hour queues on the State Highway 1 off-ramp. It provides safe and easy walking and cycling routes, more reliable bus journey times, and boosted the local economy by encouraging commercial and residential growth. The upgrade also sets the scene for rejuvenation of the Johnsonville Mall.

The work included: a two-lane off-ramp from State Highway 1; new traffic lights at Fraser Avenue and Gothic Street; additional pedestrian crossings and facilities; replacing the Broderick Road / Moorefield Road bridge over the railway lines with a longer and wider bridge to allow for cycle lanes and future train options, and cycle lanes and a path for cyclists and pedestrians to by-pass the two northern roundabouts and connect local schools.

It also provided options for better bus flow around the Johnsonville triangle (Johnsonville, Moorefield, Broderick roads), and the installation of a new bus shelter at the stop in the mall. Broderick and Johnsonville roads were resurfaced in March/April 2016.


To ensure a safe and resilient transport network we strengthened the Hataitai Bus Tunnel and Aotea Quay Bridge portals. We also replaced the joints on the northbound lane of the Aotea Quay Bridge.

We undertook work to ensure our pedestrian and cycle networks reflects our commitment to sustainable, safe and efficient transport choices

WCUCP aims to create a sustainable, liveable and attractive city, offering choices about how to travel, with an appealing cycle network that encourages people of all ages and abilities to cycle. The WCUCP was adopted in September 2015 and extends to Ngauranga, central city,

eastern suburbs, and Island Bay. The method and level of community engagement on the Island Bay cycleway resulted in significant unease that impacted on other projects in the WCUCP, and confidence in Council's ability to deliver the WCUCP. A review of the WCUCP commissioned by New Zealand Transport Authority (NZTA) made a series of recommendations for change. Working with NZTA we are refreshing the cycle way programme and our engagement process with the community.

We replaced 12 old poles and street lights in Cuba Mall (between Ghuznee and Dixon Streets) with seven brighter and more energy efficient LEDs. The seven new poles were repositioned to reduce the impact on pedestrians, businesses and footpath use. The LEDs are more energy efficient and improve the level of lighting. Replacement poles were also lower which reduced light pollution and improved the streets amenity - the poles no longer protruded past the visual canopy of the trees. Our residents are less satisfied with street lighting and we are below our targets.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Residents satisfied with street lighting in central city and suburbs	Central City 78% Suburban Areas 54% 	Central City 85% Suburban Areas 75%
		2014/15 PERFORMANCE
		Central City 80% Suburban Areas 55%

Source: WCC Residents' Monitoring Survey 2016

We supported 10 projects with \$29,220 through the Communities on Bikes Fund which included a range of projects which promote cycling as a mode of transport such as Frocks on Bikes (A la Carless) and Lucid Dream Bikes (Bicycle festival of lights and motion). Three schools received funding for Bikes in School Tracks - Hampton Hill School, Amesbury School and Houghton Valley School.

In addition, to better integrate our transport network with our urban spaces we obtained an exemption for the NZTA Road Traffic Rules so we could add key city personalities to our pedestrian crossing signals. As a result we have a silhouette of Kate Sheppard installed around Parliament and the Railway Station, a local celebrity Carmen Rupe in the Cuba Mall area and pioneering businessman John Plimmer in Lambton Quay around Plimmer Steps and Featherston Street.

OUR PERFORMANCE

Quality and timeliness of transport infrastructure and services:

Whilst we achieved our level of service standards, we failed to meet our target for the percent of residents who consider roads and footpaths good or very good. This reflects re-prioritisation of maintenance/renewal work and a decline in levels of service over a contract transitional period. We failed to meet our response rate target for urgent and non-urgent work but our levels of service for urgent responses are the same as last year. The percentage of our major roads that meet national street lighting standards was below target. In each of the above measures there were minor variations in our performance from last year. Our resident's satisfaction with street lighting in the city and suburbs was below our target and our performance last year. We exceeded our target for the percentage of roads that meet compulsory smooth roads standards, although our performance was lower than last year. This is likely to be a result of activities such as the installation of telecommunication services in our roads and changing road maintenance priorities.

Further detail can be found in the section titled 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
7.1.1 Transport Planning¹				
Expenditure	1,412	1,144	(268)	1,309
Revenue	(153)	(86)	67	(132)
Net Expenditure	1,259	1,058	(201)	1,177
7.1.2 Vehicle network²				
Expenditure	22,408	22,645	237	21,579
Revenue	(4,830)	(1,322)	3,508	(3,594)
Net Expenditure	17,578	21,323	3,745	17,985
7.1.3 Cycle network³				
Expenditure	1,291	1,660	369	705
Revenue	(263)	(36)	227	(8)
Net Expenditure	1,028	1,624	596	697
7.1.4 Passenger transport network⁴				
Expenditure	2,632	1,721	(911)	1,260
Revenue	(922)	(951)	(29)	(1,057)
Net Expenditure	1,710	770	(940)	203
7.1.5 Pedestrian network⁵				
Expenditure	6,303	6,548	245	6,027
Revenue	(144)	(39)	105	(57)
Net Expenditure	6,159	6,509	350	5,970
7.1.6 Network-wide control and management⁶				
Expenditure	6,658	6,799	141	6,356
Revenue	(2,346)	(2,055)	291	(2,057)
Net Expenditure	4,312	4,744	432	4,299
7.1.7 Road safety⁷				
Expenditure	5,924	6,095	171	6,303
Revenue	(1,671)	(1,601)	70	(1,747)
Net Expenditure	4,253	4,494	241	4,556

CAPITAL EXPENDITURE (\$'000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
7.1.2 Vehicle network⁸				
Expenditure	22,319	23,399	80	29,895
Unspent portion of budget to be carried forward	N/A	2,111	-	N/A
7.1.3 Cycle network⁹				
Expenditure	3,288	3,289	1	2,428
Unspent portion of budget to be carried forward	N/A	2,384	-	N/A
7.1.4 Passenger transport network¹⁰				
Expenditure	368	(369)	(737)	123
Unspent portion of budget to be carried forward	N/A	514	-	N/A
7.1.5 Pedestrian network¹¹				
Expenditure	3,966	4,225	259	3,746
Unspent portion of budget to be carried forward	N/A	355	-	N/A
7.1.6 Network-wide control and management¹²				
Expenditure	2,536	2,772	236	2,397
Unspent portion of budget to be carried forward	N/A	32	-	N/A
7.1.7 Road safety¹³				
Expenditure	2,715	2,412	(303)	2,803
Unspent portion of budget to be carried forward	N/A	39	-	N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

- 1 Over budget due to higher labour costs and unplanned legal expenses.
- 2 Under budget due to vested assets revenue and savings on depreciation, following the revaluation of infrastructure assets.
- 3 Under budget due to underspending on cycleways planning (delays) and savings in depreciation.
- 4 Over budget due to the upgrade of the Cable Car electric drive unit (not in the LTP budget however subsequently approved during the year). This is partially offset by higher bus shelter income (digital advertising, savings on other grant costs and reduced maintenance due to bus stop signs and shelter maintenance now with GWRC).
- 5 Under budget due to vested asset income and savings on depreciation following revaluation of infrastructure assets.
- 6 Under budget due to higher income in network activity and lower costs on road markings maintenance.
- 7 Under budget due to reduced labour costs and some increased income in the street lighting area.
- 8 Under budget due to the Southern Corridor road maintenance contractor not completing all of the work programme. In addition there is an underspend of \$1.1m identified for the Northland Tunnel project.
- 9 Under budget due to limited works in the Central area and none undertaken in the eastern area. Projects will need to wait until the outcome of the "Let's get Wellington moving" project.
- 10 Over budget due to additional consulting costs associated with the Ngauranga to Airport quick wins programme. NB. Funding for this work was not in the LTP budget however was subsequently approved.
- 11 The under spend is due to the Southern Corridor maintenance contractor not completing all of the work programme.
- 12 The under spend is due to the Southern Corridor maintenance contractor not completing all of the work programme in traffic and street signs renewals.
- 13 Over budget due to the civil works component of the Cuba Mall lighting renewal project being greater than planned, a higher incidence of light pole failures and higher labour costs.

7.2

Parking

Ratonga tūnga waka

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

WHAT WE DO AND WHY

We provide around 10% of the parking in central Wellington. This consists of approximately 12,000 on-street parking spaces, of which 3,500 are in the central business district, along with some off-street parking and street spaces for taxis, couriers, people with disabilities, bus stops and diplomatic services. We also manage off-street parking at Clifton Terrace, the Michael Fowler Centre and beneath Civic Square.


Over the year these activities contribute to the following outcome:

OUTCOME	OUTCOME STATEMENT
People-centred city	<ul style="list-style-type: none"> Central city car and motorbike parking is important for shoppers, workers, visitors, and people visiting the city for recreation activities Parking also allows goods to be picked up and delivered throughout the city Parking helps make Wellington a liveable prosperous city

OUR KEY ACHIEVEMENTS


We have undertaken a variety of work to provide parking for shoppers, workers, visitors, and people visiting the city for recreation activities

We have continued to update our parking technology and access to parking services to help visitors to the city. Improvements include installation of parking sensors, improved payment methods, and an on-line permit application service.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
On street car parking average occupancy	78% 	75%
		2014/15 PERFORMANCE
		80%

Source: WCC Parking Services

Our Parking Services Team continued to play an important role in large scale city events and community driven initiatives. Events in the 2015/16 year included Newtown Festival, Round the Bays, CubaDupa, Anzac Parade, and All Blacks tests. Our focus is to maintain a balance between ambassadorial work at on-street events, and enforcement requirements, whilst ensuring the safe movement of vehicles and pedestrians throughout the city. We also assisted residents' use of the city by processing in excess of 10,000 service requests from members of the public requiring a Parking Officers support. We issued approximately 4,500 residents parking permits and in excess of 2,000 other general parking permits.

MEASURE	2015/16 ACTUAL PERFORMANCE	2015/16 TARGET
Percentage of residents perceptions that parking enforcement is fair	48% 	Increase on previous year
		2014/15 PERFORMANCE
		50%

Source: WCC Residents' Monitoring Survey

We strengthened our relationships with the NZTA and New Zealand Police. This collaborative effort focussed on addressing both driver and parking behaviours through joint operations in hot spots throughout the CBD.

OUR PERFORMANCE

Quality of parking provision: Turnover rates for on-street parking were below our target and last year's performance largely due to an increase in parking demand. Fewer of our residents perceive parking enforcement as fair. Further detail can be found in the section 'Measuring our Performance'.

FINANCES

How it was funded

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

WHAT IT COST 2015/16

OPERATING EXPENDITURE (\$000)	ACTUAL 2016	BUDGET 2016	VARIANCE 2016	ACTUAL 2015
7.2.1 Parking				
Expenditure	12,262	13,404	1,142	11,218
Revenue	(26,442)	(27,455)	(1,013)	(25,642)
Net Revenue	(14,180)	(14,051)	129	(14,424)

CAPITAL EXPENDITURE (\$000)	ACTUAL 2016	BUDGET* 2016	VARIANCE 2016	ACTUAL 2015
7.2.1 Parking				
Expenditure	1,342	1,389	47	89
Unspent portion of budget to be carried forward	N/A	60		N/A

* The capital expenditure budget consists of the LTP amount plus the carry forward from 2014/15.

TRANSPORT - OVERALL SUMMARY

Despite community concern and delays over our cycleway project, progress was made towards this activity area. However, residents have concerns with the condition of roads and footpaths, street lighting in suburban areas and the re-surfacing of local roads. Some of our capital projects were either under budget due to delays or budget underestimates. Some of this is because of factors we have no control over e.g. electricity network failures. Improvements to this important area will allow us to better achieve our outcomes in the future.

Measuring our performance

UNDERSTANDING OUR PERFORMANCE

The following section explains our performance for our performance measures and outcome indicators in the Long-term plan 2015-25. Percentage point explanations for performance measures are provided for measures with a significant (10+) variance from target in the Percentage points tables on page 131.

KEY PERFORMANCE MEASURES

1 GOVERNANCE

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
1.1 Governance, information and engagement					
<i>To measure the quality of the public's involvement in Council decision-making</i>					
Residents (%) satisfaction with the level of consultation (i.e. the right amount)	44%	53%	53%	55%	(2)
Residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	70%	74%	59%	75%	(16)*
<i>To measure the quality and timeliness of residents' access to information</i>					
Council and committee agendas (%) are made available to the public within statutory timeframes (two working days prior to the meeting)	100%	100%	94%	100%	(6)
Council and committee agendas (%) that are made available to elected members five days prior to the meeting and to the public four days prior to the meeting	59%	65%	91%	80%	11*
Residents (%) who agree that Council information is easy to access (i.e. from web centre, libraries, newspapers etc.)	36%	48%	49%	55%	(6)
Residents (%) who agree that Council website is easy to navigate and get information from	63%	62%	61%	70%	(9)
Contact Centre response times - calls (%) answered within 30 seconds	80%	84%	80%	80%	0
Contact Centre response times - emails (%) responded to within 24 hours	100%	100%	93%	100%	(7)
1.2 Māori and mana whenua partnerships					
<i>To measure the health of our relationship with mana whenua</i>					
Mana whenua partner satisfaction with Council relationship (satisfied and very satisfied)	Satisfied	Satisfied	Satisfied	Satisfied	N/A
<i>To measure the engagement of the city's Māori residents</i>					
Māori residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	56%	69%	65%	75%	(10)*

* See Percentage points explanation tables

OUTCOME INDICATORS

1 GOVERNANCE

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Residents (%) who agree that decisions are made in the best interests of the city	WCC RMS 2016	36% 36% 34%
Residents (%) who state that they understand how the Council makes decisions	WCC RMS 2016	30% 35% 33%
Residents (%) who understand how they can have input into Council decision-making	WCC RMS 2016 (New in 2016)	46%
Mana whenua partners agree that the use and protection of the city's resources for the future is appropriate	WCC Strategy and Research	Both Agree Both Agree 1 Agreed and 1 Partner was not sure
Residents (%) who believe they have the opportunity to participate in city life	WCC RMS 2016	64% 78% 74%
Voter turnout in local elections, referendums and polls	WCC Democratic Services	2010 39% 2013 41%

PERFORMANCE MEASURES

2 ENVIRONMENT

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
2.1 Gardens, beaches and green open spaces					
<i>To measure the quality of the open spaces we provide</i>					
Residents' satisfaction (%) with the quality and maintenance of green open spaces - local parks, playgrounds and reserves; botanic gardens; beaches and coastal areas; and walkways	89%	87%	85%	90%	(5)
Number of visitors to the Botanic Gardens (including Otari-Wilton's Bush)	1,542,535	1,354,681	1,147,067	1,280,000	(132,933)*
<i>To measure the quality of street cleaning services</i>					
Residents' satisfaction (%) with the quality of street cleaning	74%	75%	76%	85%	(9)
Street cleaning (%) compliance with quality performance standards	95%	97%	97%	98%	(1)
<i>To measure the quality and quantity of work we undertake to protect biodiversity</i>					
We will plant two million trees by 2020	New in LTP	-	1,345,773	1,389,777	(44,004)
High value biodiversity sites (%) covered by integrated animal pest control or weed control	52%	67%	52%	55%	(3)
Proportion of grant funds successfully allocated (through milestones being met)	97%	100%	100%	95%	5
2.2 Waste reduction and energy conservation					
<i>To measure the quality of waste reduction and recycling services</i>					
Residents (%) satisfaction with recycling collection services	78%	86%	84%	85%	(1)
Waste diverted from the landfill (tonnes)	18,765 tonnes	18,048 tonnes	17,431 tonnes	16,500 tonnes	931 tonnes
Residents (%) who regularly use recycling (including weekly, fortnightly or monthly use)	60%	61%	96%	90%	6
<i>To measure the quality of our waste disposal services</i>					
Residents (%) satisfaction with waste collection services	76%	85%	85%	90%	(5)
Energy sourced from the Southern Landfill (GWh)	7.0GWh	7.6GWh	7.65GWh	8GWh	(0.35GWh)
<i>To measure the amount (quantity) of the Council's energy consumption and emissions</i>					
WCC corporate energy use (including WCC general)	21,069,031kWh 18,446,633kWh	20,660,224kWh 19,320,398kWh	19,854,825kWh 22,300,682kWh	(Decrease in energy use from previous year)	805,399 (2,980,284)
WCC pools and recreation centres WCC CCOs)kWh	6,968,518kWh	7,204,428kWh	6,673,381kWh		531,047
WCC corporate greenhouse gas emissions	First year of trend	N/A	92,832 tonnes	As part of the Low-Carbon Capital Plan all 2020 targets were revised and only 2050 targets were kept)	-

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
2.3 Water					
<i>To measure the quality of water supplied to residents and the services that ensure security of supply</i>					
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance criteria) (Part 5 Protozoal compliance criteria) (Last year we measured/graded the 11 zones of Wellington City's water supply against A1 target)	100% Achieved	100% Achieved	100% Achieved	100% Achieved	0
Maintenance of water supply quality gradings from Ministry of Health	Maintained	Maintained	Maintained	Maintain	-
Customer satisfaction with water supply	99%	97%	91%	90%	1
Number of complaints about: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) drinking water continuity of supply (f) responsiveness to drinking water complaints per 1,000 connections*	DIA (New)	DIA (New)	13	Baseline	-
Median response time for: (a) attendance for urgent call outs (b) resolution for urgent call outs (c) attendance for non-urgent call outs (d) resolution non-urgent call outs*	DIA	DIA	50Mins 2.80 Hours 28.7 Hours 46.35 Hours	60 Mins 4 Hours 36 Hours 15 Days	10 Mins* 1.2 Hours* 7.3Hours* 13.1 Days*
Percentage of real water loss from networked reticulation system	11%	13%	12%	<14%	2
Average drinking water consumption/ resident/day	254 litres per resident per day	273 litres per resident per day	369 litres per resident per day	375 litres per resident per day	6 litres per resident per day
Number of unplanned supply cuts per 1,000 connections	New in LTP	-	1.2	<4	2.8*
2.4 Wastewater					
<i>To measure the quality and timeliness of the wastewater service</i>					
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	New in LTP	New in LTP	0.57	<=1.2	0.63*
Dry weather wastewater overflows/1,000 connections*	DIA (New)	DIA (New)	0.55	0	(55)*
Customer satisfaction with the wastewater service	100%	97%	84%	75%	9
Number of complaints about: (a) wastewater odour (b) wastewater system faults (c) wastewater system blockages (d) responsiveness to wastewater system issues per 1,000 connections*	DIA (New)	DIA (New)	22	Baseline	-
Median response time for wastewater overflows: (a) attendance time (b) resolution time*	DIA (New)	DIA (New)	0.73 Hours 2.35 Hours	<=1 Hours <=6 Hours	0.27 Hours* 3.65 Hours*
<i>To measure the impact of wastewater on the environment</i>					
Breaches of resource consents for discharges from wastewater system. Number of: - abatement notices - infringement notices - enforcement orders - convictions for discharges from wastewater system*	New in LTP	-	1	0	1

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
2.5 Stormwater					
<i>To measure the quality and timeliness of the stormwater service</i>					
Number of pipeline blockages per km of pipeline	New in LTP	-	0.04	<=0.5	0.46*
Customer satisfaction with stormwater management	100%	95%	68%	75%	7
Number of complaints about stormwater system performance per 1,000 connections	New in LTP	-	12	Baseline	-
Median response time to attend a flooding event	New in LTP		49 Mins	<=60 Mins	11 Mins*
<i>To measure the impact of stormwater on the environment</i>					
Breaches of resource consents for discharges from stormwater system. Number of: - abatement notices - infringement notices - enforcement orders - convictions for discharges from stormwater system	New in LTP	-	0	0	0
Number of flooding events*	DIA (NEW)	DIA (NEW)	1	Trend only	-
Number of habitable floors per 1,000 connected homes per flooding event*	DIA (NEW)	DIA (NEW)	0.014	Trend Only	-
Percentage of days during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	85%	93%	100%	90%	10*
Percentage of monitored sites that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1,000 cfu/100ml	New in LTP	-	93%	90%	3
2.6 Conservation attractions					
<i>To measure the success of our investments in conservation attractions</i>					
Zoo - total admissions	227,434	225,927	260,809	234,713	26,096*
Zealandia - visitors	99,213	97,421	125,849	95,947	29,902*

* See Percentage points explanation tables

DIA (NEW) New Department of Internal Affairs Mandatory Measure

OUTCOME INDICATORS

2 ENVIRONMENT

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Open space land owned or maintained by WCC - total hectares and square metres per capita	WCC Parks, Sport and Recreation	Sqm Per Capita 206sqm 198sqm 188sqm Hectares 4,213 3,967 3,833
Residents' usage of the city's open spaces - local parks and reserves, botanic gardens, beaches and coastal areas, and walkways	WCC RMS 2016	See Reference page Table 1
Residents' perceptions that the natural environment is appropriately managed and protected	WCC RMS 2016	77% 78% 79%
Hours worked by recognised environmental volunteer groups and botanic garden volunteers	WCC Parks, Sport and Recreation	34,611 43,880 45,009
Water consumption (commercial and residential combined)	Wellington Water	26.4b 26.6b 24.5b Litres
Freshwater biological health (macro invertebrates) - Makara, Karori, Kaiwharawhara and Porirua streams	Greater Wellington Regional Council	See Reference page Table 2
Freshwater quality - Makara, Karori, Kaiwharawhara and Porirua streams (note data for Owhiro Stream not available)	Greater Wellington Regional Council	See Reference page Table 3
Energy use per capita	Wellington Electricity	6.6 6.6 6.6 MWh
Number/sqm of 'green star' buildings/space in the city	NZ Green Building Council	141,365m ² 141,365m ² 19,844m²
Total kerbside recycling collected per capita	WCC Waste Operations	0.060718987 0.059155 0.054597645 Tonnes
Total waste to the landfill per capita	WCC Waste Operations	0.40 0.41 0.41 Tonnes
Selected indicators from the City Biodiversity Index (specific indicators to be confirmed)	WCC Parks, Sport and Recreation	New Biodiversity Index indicators will be confirmed in November 2016

PERFORMANCE MEASURE
3 ECONOMIC DEVELOPMENT

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
3.1 City promotions and business support					
<i>To measure the quality of our investments in promoting the city</i>					
WREDA - Positively Wellington Tourism partnership funding	50%	46%	48%	Maintain council's funding at less than 50% of total income	Achieved (2)
<i>To measure the usage of WCC supported events</i>					
Estimated attendance at WCC supported events	670,368	898,968	978,188	500,000	478,188*
<i>To measure the quality of our investments in economic development</i>					
Events Development Fund - ratio of direct spend to economic impact	23:1	23:1	25:1	20:1	5:1
The proportion of grant funds successfully allocated (through milestones being met)	N/A	100%	No Reporting in 15/16	95%	-

* See Percentage points explanation tables

OUTCOME INDICATORS

3 ECONOMIC DEVELOPMENT

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Number of domestic and international visitors (guest nights)	Statistics NZ	Domestic 1,396,402 1,426,141 1,542,892
		International 686,692 769,714 743,203
Average length of stay - international and domestic	Statistics NZ	2.12 Nights 2.14 Nights 2.12 Nights
Number of major conferences	WREDA	619 633 599
Number of A-level events held in Wellington and their economic contribution	WREDA	10 - \$30.9m 12 - \$29.9m 11 - \$36.5m
New Zealand's top 200 companies based in Wellington	Deloitte Top 200 Businesses	21 22 21
Business enterprises - births and growths (net growth in business)	Statistics NZ	0.1% 2.9% 0.4%
Domestic and international airline passengers entering Wellington airport	Wellington International Airport Limited	Domestic: 4,684,000 4,682,000 4,899,000
		International: 753,000 775,000 897,000
Free wifi usage (logons/day) - waterfront and central city	Citylink	CBD 2,431,247 6,816,785 17,990,606
	Trademe	Waterfront 194,852 142,366 299,844
Pedestrian counts - average of various Lambton Quay sites	WCC Golden Mile Pedestrian Survey 2015	2,069 1,971 2,052
Businesses and employees in research and development sector	Statistics NZ	See Reference Page Table 4
Secondary (international) and Tertiary (international and domestic) students enrolled per 1,000 residents	WREDA	Secondary International Students: 347 363 1080
		Tertiary Students per 1000 residents: 3 3 7
Events/activities held with international cities (in Wellington and overseas)	WCC International Relations	76 72 75

PERFORMANCE MEASURES
4 CULTURAL WELLBEING

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
4.1 Arts and culture activities					
<i>To measure the quality and usage of our arts and culture support activities</i>					
Attendee satisfaction with Council supported arts and cultural festivals	86%	84%	85%	90%	(5)
User (%) satisfaction with Toi Pōneke facilities and services	83%	91%	89%	90%	(1)
Economic contribution (\$) the NZ Festival makes to the city's economy (direct new spend)	\$70m	-	\$32,092,900	\$40m	(7,907,100)*
The proportion of grants funds successfully allocated (through milestones being met)	100%	96%	98%	95%	3
Proportion of outcomes delivered (previous projects - weighted by \$ value)	100%	95%	98%	90%	8
Venues subsidy - total number of performers and attendees at supported events	13,878	12,564	113,390	Increase on previous year	Achieved
Cultural grants - % first time applicants who are successful	63%	43%	38%	50%	(12)*

* See Percentage points explanation tables

OUTCOME INDICATORS

4 CULTURAL WELLBEING

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Residents frequency of engagement in cultural and arts activities	WCC RMS 2016	See Reference Page Table 5
New Zealanders' and residents' perceptions that "Wellington has a culturally rich and diverse arts scene"	National Wellington Reputation Survey Results 2016	New Zealand 84% 84% 81% Residents 89% 91% 92%
Resident perceptions that Wellington's local identity (sense of place) is appropriately valued and protected	WCC RMS 2016	72% 76% 78%
Events held at key city venues	Positively Wellington Venues	1,689 1,647 958
New Zealanders' and residents' perceptions that "Wellington is the arts capital of New Zealand"	National Wellington Reputation Survey Results 2016	New Zealanders 52% 57% 58% Residents 68% 63% 66%
New Zealanders' and residents' perceptions that "Wellington is the events capital of New Zealand"	National Wellington Reputation Survey Results 2016	New Zealanders 31% 34% 36% Residents 48% 46% 52%
Residents' (%) agreement with the statement that "Wellington is an easy place to get involved in the arts"	National Wellington Reputation Survey Results 2016	80% 85% 86%
Te Papa visitors - total visitors, overseas visitors and NZ visitors from outside the region	Te Papa - New measure in LTP	Total 1,784,939 Overseas 708,371 NZ outside region 581,986
Customer (%) satisfaction with the NZ Festival	Nielsen - 2016 NZ International Arts Festival Review	2014 87% 2016 91%
Total tickets sold (#) to the NZ Festival and the proportion sold to customers outside the region	New Zealand International Arts Festival	2014 115,892 2016 Excl. **Tattoo 95,000 Tattoo 84,455 Incl. Tattoo 179,455 Proportion sold to out of region 2014 31% (35,927) 2016 Excl. Tattoo 19% (18,050) Tattoo 63% (53,601) Incl. Tattoo 40% (71,651)
Total visits to museums and galleries (including Carter Observatory - now called Space Place)	Wellington Museums Trust	601,743 689,414 688,169

PERFORMANCE MEASURES

5 SOCIAL AND RECREATION

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
5.1 Recreation promotion and support					
<i>To measure the quality and usage (quantity) of the recreation facilities we provide</i>					
User (%) satisfaction - swimming pools	82%	85%	88%	90%	(2)
User (%) satisfaction - recreation centres and ASB centre	Recreation Centres 88%	Recreation Centres 85%	Recreation Centres 87%	90%	(3)
	ASB Centre 88%	ASB Centre 86%	ASB Centre 91%	90%	1
User (%) satisfaction - sportsfields (including artificial sportsfields)	Grass 83%	Grass 78%	Grass 42%	85%	(43)*
	Artificial 89%	Artificial 89%	Artificial 94%	85%	9
Visits to facilities - swimming pools	1,222,725	1,234,283	1,300,700	1,248,000	52,700
Visits to facilities - recreation centres and ASB Centre	321,723	324,878	1,077,573	1,050,000	27,573*
ASB Centre courts utilisation (%)	41%	46%	50%	45%	5
Sportsfields - % of scheduled sports games and training that take place	Winter 78%	Winter 88%	Winter 79%	Winter 80%	(1)
	Summer 89%	Summer 99%	Summer 99%	Summer 90%	9
Marinas occupancy	97%	98%	96%	96%	0
Artificial sportsfields % utilisation - peak and off-peak (summer and winter)	Peak Winter 76%	Peak Winter 68%	Peak Winter 68%	Peak Winter 80%	(12)*
	Peak Summer 35%	Peak Summer 32%	Peak Summer 36%	Peak Summer 40%	(4)
	Off-peak Winter 18%	Off-peak Winter 25%	Off-peak Winter 15%	Off-peak Winter 25%	(10)*
	Off-peak Summer 16%	Off-peak Summer 11%	Off-peak Summer 10%	Off-peak Summer 20%	(10)*
5.2 Community support					
<i>To measure the quality and usage (quantity) of the housing services we provide</i>					
Tenant satisfaction (%) with services and facilities	90%	94%	94%	90%	4
Tenant rating (%) of the overall condition of their house/apartment (good and very good)	89%	95%	96%	90%	6
Tenant (%) sense of safety in their complex at night	78%	78%	75%	75%	0
Occupancy rate of available housing facilities	98%	95%	94%	90%	4
All tenants (existing and new) housed with policy	99%	99%	99%	98%	1

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
To measure the progress of the Housing Upgrade Project					
Agreed milestones, design standards and budgets are met in accordance with the agreed works programme and Deed of Grant between the Crown and the Council	Partially Achieved	Achieved	Achieved	To Achieve	Achieved
To measure the quality and usage (quantity) of our community and recreation support services (including libraries)					
Libraries – user (%) satisfaction with services and facilities	83%	87%	93%	90%	3
E-library users satisfaction (%) with the online library collection	78%	84%	85%	75%	10*
Accessible Wellington Action Plan initiatives planned for next year	95%	77%	85%	90%	(5)
The proportion of grants fund successfully allocated (through milestones being met)	100%	100%	100%	95%	5
Proportion of outcomes delivered (previous projects) - weighted by \$ value	100%	100%	100%	90%	10*
Libraries – residents (%) who are registered members	74%	77%	79%	75%	4
Libraries – physical visits	2,310,848	2,276,034	2,248,409	2,400,000	(151,591)
Libraries – website visits	2,283,909	3,630,775	3,809,967	2,500,000	1,309,967*
Library items issued	2,952,353	2,902,402	2,923,042	3,000,000	(76,958)
Occupancy rates (%) of Wellington City Council Community Centres and Halls	35%	34%	39%	45%	(6)
5.3 Public Health and Safety					
To measure the quality of our public health and safety services and programmes and our timeliness in responding to service requests					
Dog control – urgent requests responded to within one hour and non-urgent within 24 hours	Urgent 97%	Urgent 100%	Urgent 100%	Urgent 100%	Urgent 0
	Non-urgent 99%	Non-urgent 99%	Non-urgent 100%	Non-urgent 99%	Non-urgent 1
WCC public toilets – urgent requests responded to within four hours and non-urgent within three days	Urgent 100%	Urgent 99%	Urgent 100%	Urgent 100%	Urgent 0
	Non-urgent 100%	Non-urgent 99%	Non-urgent 100%	Non-urgent 95%	Non-urgent 5
WCC public toilets (%) that meet required cleanliness and maintenance performance standards	100%	100%	100%	95%	5
Percentage of medium, high and very high risk premises that are inspected annually	100%	100%	100%	100%	0
Percentage of inspections of medium, high and very high risk premises that are carried out during peak trading hours	34%	35%	28%	25%	3
Graffiti removal – response timeframes met	New in LTP	-	85%	80%	5

* See Percentage points explanation tables

OUTCOME INDICATORS

5 SOCIAL AND RECREATION

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Residents' usage of City Council community and recreation facilities	WCC RMS 2016	Community Centre 20% 22% 20% Community Hall 19% 19% 21%
Residents' perceptions that Wellington offers a wide range of recreation activities	WCC RMS 2016	76% 85% 82%
Residents' frequency of physical activity	WCC RMS 2016	65% 71% 74%
Residents' perceptions that there are barriers to participating in recreation activities	WCC RMS 2016	See Reference Page Table 6
Residents' importance of sense of community in local neighbourhood	WCC RMS 2016	2012 - 75% 2014 - 71% (Biennial Result)
Residents' usage of libraries and frequency of use	WCC RMS 2016	See Reference Page Table 7
Residents' engaging in neighbourly actions	WCC RMS 2016	See Reference Page Table 8
Housing Services tenants who report positive social contact	2016 Tenant Survey	88% 94% 94%
Residents' perceptions - city and community safety issues of most concern	WCC RMS 2016	See Reference Page Table 9
Recorded crime and resolution rates - by categories	NZ Police	*Police changed the way they report crime statistics
Number of notifications of the most prevalent food and water-borne diseases	WCC Public Health	238 207 197
Residents' life expectancy	Statistics NZ	2012-14 Male 81 Female 84
Food premises - number of cleaning notices and closures per year	WCC Public HealthNew in LTP	Cleaning notices 16 17 8 Closures 3 1 2
Percentage of food premises with an inspection rating of excellent or very good that maintain or improve their inspection rating	WCC Public Health	89% 99% 93%
Number of uses of Leisure Card	Recreation Wellington	122,446 126,316 138,447
Dog control - complaints received (% of registered dogs)	WCC Public Health	30% 22% 24%

PERFORMANCE MEASURES

6 URBAN DEVELOPMENT

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
6.1 Urban planning, heritage and public spaces development (including Waterfront development)					
To measure the quality of our urban planning, heritage protection and development work					
Residents (%) who agree the city is developing in a way that maintains high quality design	New in LTP	New in LTP	55%	Baseline	-
District Plan listed items that are removed or demolished	Nil	Nil	Nil	Nil	Nil
Residents (%) who agree the central city is lively and attractive	80%	86%	85%	87%	(2)
Residents (%) who agree their local suburban centre is lively and attractive	45%	48%	47%	60%	(13)*
Residents (%) who rate their waterfront experience as good or very good	88%	94%	92%	90%	2
The proportion of grant funds successfully allocated (through milestones being met)	100%	100%	64%	95%	(31)*
Residents (%) who agree heritage items are appropriately valued and protected	60%	64%	69%	65%	4
6.2 Building and Development Control					
To measure the timeliness of our building and development control services					
Building consents issued within 20 working days	92%	98%	92%	100%	(8)
Code of Compliance Certificates issued within 20 working days	99%	96%	96%	100%	(4)
Land Information Memorandums (LIMs) issued within 10 working days	91%	81%	99%	100%	(1)
Resource consents (non-notified) issued within statutory timeframes	100%	100%	100%	100%	0
Resource consents that are monitored within 3 months of project commencement	98%	99%	97%	90%	7
Subdivision certificates - Section 223 certificates issued within statutory timeframes	100%	100%	100%	100%	0
Noise control (excessive noise) complaints investigated within one hour	99%	98%	96%	90%	6
Environmental complaints investigated within 48 hours	100%	99%	98%	98%	0
To measure the quality of our building and development control services					
Customers (%) who rate building control services as good or very good	69%	76%	79%	70%	9
Building Consent authority (BCA) accreditation retention (2-yearly)	Retained	Retained	Accreditation not tested this year	To retain	-
To measure our progress on earthquake risk mitigation					
Earthquake prone building notifications (section 124) (%) that are issued without successful challenge	100%	99%	100%	95%	5

* See Percentage points explanation tables

OUTCOME INDICATORS

6 URBAN DEVELOPMENT

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Residents' perceptions that Wellington is a great place to live, work and play	WCC RMS 2016	Live 89% 96% 95% Work 62% 63% 66% Play 88% 93% 90%
Value of residential and commercial building consents	Statistics NZ	Residential \$256m \$246m \$233m Commercial \$271m \$302m \$359m
Population - growth and density (central city, growth spine)	WCC GIS As at Census 2013 same data	Central city (people) 11,797 Growth spine (people) 25,301
Residents' perceptions of the city centre as an easy place to get to, use and enjoy	WCC RMS 2016	See reference Page Table 10
Residents' perceptions of urban design/urban form safety issues (i.e. graffiti, vandalism, poorly lit public spaces, etc.)	WCC RMS 2016	See Reference Page Table 11
Building density throughout the city	WCC GIS	See Reference Page Table 12
Proportion of houses within 100metres of a public transport stop	WCC GIS	See Reference Page Table 13
Residents' perceptions that heritage items contribute to the city and local communities' unique character	WCC RMS 2016	City 86% 92% 92% Local community 67% 71% 72%
New Zealanders' perceptions that Wellington is an attractive destination	WCC RMS 2016	80% 78% 81%

PERFORMANCE MEASURE

7 TRANSPORT

PERFORMANCE MEASURE	2013/14	2014/15	2015/16 ACTUAL	2015/16 TARGET	ACTUAL DIFFERENCE /DIFFERENCE IN % POINTS*
7.1 Transport					
<i>To measure the quality and timeliness of the transport infrastructure and service</i>					
Residents' condition (%) rating of the network - roads and footpaths (good or very good)	Roads 67%	Roads 66%	Roads 66%	Roads 75%	(9)
	Footpaths 69%	Footpaths 71%	Footpaths 67%	Footpaths 75%	(8)
Requests for service response rate - urgent (within two hours) and non-urgent (within 15 days)*	Urgent 84%	Urgent 96%	Urgent 96%	Urgent 100%	(4)
	Non-urgent 89%	Non-urgent 97%	Non-urgent 98%	Non-urgent 100%	(2)
Roads (%) which meet smooth roads standards (average quality of ride on sealed local road network, measured by Smooth Travel Exposure based on NAASRA counts)*	76%	77%	75%	70%	5
Footpath (%) condition rating (measured against WCC condition standards)*	DIA (NEW)	DIA (NEW)	97%	97%	0
Street lighting (%) for major roads (arterial, principal and collector roads) meets national standards	93%	97%	97%	100%	(3)
Residents' satisfaction (%) with street lighting in the central city and suburban areas	Central City 78%	Central City 80%	Central City 78%	Central City 85%	(7)
	Suburbs 51%	Suburbs 55%	Suburbs 54%	Suburbs 75%	(21)*
Sea wall and retaining wall condition rating - walls (%) rated 3 or better (1 very good, 5 very bad)	91%	91%	91%	90%	1
Percentage of the sealed local road network that is resurfaced*	DIA (NEW)	DIA (NEW)	9 %	10%	(1)
7.2 Parking					
<i>To measure the quality of our parking provision</i>					
On-street car park turn-over rates - weekdays and weekends	Weekdays 6.3	Weekdays 6.3	Weekdays 6.1	Weekdays 6.8	(0.7)*
	Weekends 5.2	Weekends 4.8	Weekends 4.7	Weekends 5.2	(0.5)*
On-street car park average occupancy	74%	80%	78%	75%	3
On-street car park compliance - time restrictions and payment	Time 93%	N/A	N/A	Time 95%	*
	Payment 85%			Payment 90%	
Residents' perceptions (%) that parking enforcement is fair	33%	50%	48%	Increase from previous year	-

* See Percentage points explanation tables

DIA (NEW) New Department of Internal Affairs Mandatory Measure

OUTCOME INDICATORS

7 TRANSPORT

COUNCIL OUTCOME INDICATOR	SOURCE	DATA (2014, 15 AND 16)
Residents' perceptions that peak traffic volumes are acceptable	WCC RMS 2016	53% 47% 43%
Residents' perceptions that the transport system allows easy access to the city	WCC RMS 2016	64% 66% 63%
Residents' perceptions of quality and affordability of public transport services	WCC RMS 2016	Convenient 68% 70% 69% Affordable 40% 38% 46%
Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter peaks)	Greater Wellington Regional Council	See Reference Page Table 14
Change from previous year in the number of road crashes resulting in fatalities and serious injury.* (YTD)	New Zealand Transport Authority	Fatal 3 Serious 57 Fatal 3 Serious 46 Fatal 1 Serious 15
Social cost of crashes (YTD)	New Zealand Transport Authority	Fatal \$12,303,000 Serious \$43,457,000 Total \$79,020,000* Fatal \$12,850,000 Serious \$34,590,000 Total \$69,289,000* Fatal \$4,101,000 Serious \$11,391,000 Total \$20,361,000* *Excluding minor
Residents' perceptions of transport related safety issues (i.e. issues of most concern)	WCC RMS 2016	See Reference Page Table 15
Number of cyclists and pedestrians entering the Central Business District (weekdays)	WCC Infrastructure	See Reference Page Table 16
Residents (%) who agree the transport system allows easy movement around the city - vehicle users and pedestrians	WCC RMS 2016	64% 66% 63%

Percentage points explanation tables

1 GOVERNANCE		
1.1 Governance, information and engagement		
Measure	Actual difference/ Difference in % points*	Explanation
Residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	(16)	Engagement and consultation on Island Bay Cycleway project impacted on the perception the public has on Council's decision making process. Council has acknowledged that we could do better in this area and is addressing this issue by re-engaging with the Island Bay community on the cycleway project.
Council and committee agendas (%) that are made available to <i>elected members</i> five days prior to the meeting and to the public four days prior to the meeting	11	Performance against this measure has improved tremendously as we have put systems in place for our staff to meet this measure.
1.2 Māori and mana whenua partnerships		
Māori residents (%) who are satisfied or neutral (neither satisfied nor dissatisfied) with regard to their involvement with decision-making	(10)	This year our satisfaction rating dropped a few points. This is a process of engagement and we need to work harder to ensure that Māori are engaged in decision-making.
2 ENVIRONMENT		
2.1 Gardens, beaches, and green open spaces		
Measure	Actual difference/ Difference in % points*	Explanation
Number of visitors to the Botanic Gardens (including Otari-Wilton's Bush)	(132,933)	Attendance counters have been made ineffective at times as insects build nests within them causing the counters not to work. With the cruise ship season and summer we just had it should have been well over 1.2m.
2.3 Water		
Median response time for: attendance for urgent call outsresolution for urgent call outsattendance for non-urgent call outsresolution for non-urgent call	10 Mins 1.2 Hours 7.3 Hours 13.1 Days	This is a new indicator as mandated by the DIA, with data collection having commenced in the last financial year. According to year end actual the maintenance contractor is performing better in this indicator than the target. With the limited data currently available, it is difficult to predict or update the annual target at this stage.
Number of unplanned supply cuts per 1,000 connections	2.8/1000	Year-end figure is less than the target due to the low number of unplanned supply cuts in the network. The result for this KPI depends on the amount of reactive work on the water network, the level of which is subject to many variables such as pipe materials & age, ground movement, traffic loading, soil condition etc.
2.4 Wastewater		
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	0.63	Year-end figure is less than the target due to the low number of pipeline (blockages) in the network. Results for this KPI depend on pipe blockages in the wastewater network which cannot be easily predicted.
Dry weather wastewater overflows/1,000 connections*	55	There have been 37 dry weather network overflows, 33 due to blockages (including one on a private sewage pipe), two due to a broken sewer main, one due to a private property leak and one due to stream erosion under a manhole. One overflow occurred at the Moa Point Treatment Plant in September due to a power failure. Work on capacity and demand issues is continuing across the network through investigations, planning, maintenance and upgrades. Network Dry Weather overflows: 37 Treatment plant Dry Weather overflows: 1 Total: 38 Total nr of connections: 69030 (WCC rating database) Therefore - 38/69030*1000= .055.
Median response time for wastewater overflows: (a) attendance time (b) resolution time*	0.27 Hours 3.65 Hours	These are new indicators as mandated by the DIA, with data collection having commenced in the last financial year. According to YE actuals, maintenance contractor is performing better in these indicators than the targets. With the limited data currently available, it is difficult to predict or update the annual targets at this stage.

2.5 Stormwater		
Number of pipeline blockages per km of pipeline	0.46	Year-end figure is less than the target mainly due to the low number of stormwater reticulation incidents per km of reticulation pipeline (blockages) in the network. Results for this KPI are mainly dependent on pipe blockages which cannot be easily predicted. This result indicates that the storm water network is performing better than the targets.
Median response time to attend a flooding event	11 Mins	Year-end figure is less than the target mainly due to the low number of stormwater reticulation incidents per km of reticulation pipeline (blockages) in the network. Results for this KPI are mainly dependent on pipe blockages which cannot be easily predicted. This result indicates that the stormwater network is performing better than the target.
Percentage of days during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	10	Year-end result indicates that our beaches are fully compliant for recreational use during the bathing season.

2.6 Conservation attractions		
Zoo - total admissions	26,096	A positive variance resulting from great summer weather and a strong response to the opening of Meet the Locals He Tuku Aroha.
Zealandia - visitors	29,902	2015/16 was a good year for international visitors to Wellington and the long warm summer contributed to an overall uplift in Zealandia's visitation. The visitation performance also reflects a coordinated improvement in Zealandia's membership, its appeal as an education facility and its growing appeal to locals and visitors to Wellington.

3 ECONOMIC DEVELOPMENT

3.1 City promotions		
Measure	Actual difference/ Difference in % points*	Explanation
Estimated attendance at WCC supported events	478,188	Attendance from Capital 150 celebrations (91k), Edinburgh **Tattoo (84k), Elton John (28k) and NZ Festival (95k) have pushed attendance above what was targeted.

4 CULTURAL WELLBEING

4.1 Arts and culture activities		
Measure	Actual difference/ Difference in % points*	Explanation
Economic contribution (\$) the NZ Festival makes to the city's economy (direct new spend)	(7,907,100)	The reported economic impact does not include the Royal Edinburgh Military Tattoo, which was presented by the Festival ahead of the NZ Festival and attracted 55,000 out of region visitors. Many out of region visitors chose the Tattoo over events within the main NZ Festival programme, which impacted on the NZ Festival's out of region attendance and therefore economic impact. One in six people surveyed indicated they chose the Tattoo at the expense of a NZ Festival event. The Edinburgh Military Tattoo was presented by the NZ festival as a separate event from the actual NZ festival itself so this is reported as part of the activities of the NZ festival for the last financial year through WREDA but they are considered separate events. As they were separate events this impacted the out of region attendance and the economic benefit to the city as one in 6 people surveyed said they chose the Tattoo over an event in the NZ festival itself, which then led to the NZ festival itself having a smaller benefit than previous as the tattoo had benefit that was not included in the NZ festival result.
Cultural grants - % first time applicants who are successful	(12)	Due to high demand on the Arts and Culture Fund more high quality applications from previous applicants were successful, the fund has been increased in 2016/17 by \$120,000 to meet increased demand.

5 SOCIAL AND RECREATION

5.1 Recreation promotion and support

Measure	Actual difference/ Difference in % points*	Explanation
User (%) satisfaction - sportsfields (including artificial sports fields)	(43)	With the investment and provision of artificial surfaces alongside natural turf users expect a higher level of quality and availability. There is a conflict over the use of grass vs artificial fields for training vs competition which creates pressure on scheduling, resource and satisfaction. The variability of environmental conditions outside of our control can impact users, which can also impact satisfaction.
Visits to facilities - recreation centres and ASB Centre	27,573	The change in numbers has come about because the ASB Sports Centre numbers (which had been separately recorded) have been included from 2015/16. Prior to that ASB was counted separately. The decision was made to include both the community recreation centres and ASB Centre together going forward.
Artificial sportsfields % utilisation - peak winter	(12)	For winter 2015 we didn't meet the peak target due to the lack of use on our turfs late in the evenings on Sat/Sun between approx. 7pm - 9.30pm. There was less use on the Wakefield artificial in April due to a car accident which hit our power box affecting all the lights, so there were less trainings happening in the evening.
Artificial sportsfields % utilisation - off-peak winter	(10)	For winter 2015 off-peak there was a large percentage increase in July's use due to a number of football holidays programmes happening during the school holidays. For the other months the use was similar to winter 2014. Due to the unpredictable weather and costs primary schools are reluctant to make bookings in winter on the turfs.
Artificial sportsfields % utilisation - off-peak summer	(10)	There is little interest from customers to use the artificials during summer time as schools have their own fields. With Alex Moore now added to the mix it means we have more hours available which we struggle to fill during summer off-peak weekdays.

5.2 Community support

E-library users satisfaction (%) with the online library collection	10	This is an increase mainly in the area of online journals and databases, which suggests customers overall satisfaction with the online collection increased when we purchased Zinio. This is a composite figure as the average satisfaction of eBooks, eAudio, website, Databases/journals, and for the first time eTutorials.
Proportion of outcomes delivered (previous projects) - weighted by \$ value	10	Following review in processes and subsequent improvements - the outcomes agreed to as part of funding agreements are realistic and achievable hence increase in proportion of outcomes achieved.
Libraries - website visits	1,309,967	This figure now includes website visitors via the library app, which is a statistic that was not able to be collected when the target was originally set.

6.0 URBAN DEVELOPMENT

6.1 Urban planning, heritage and public spaces development (including waterfront development)

Measure	Actual difference/ Difference in % points*	Explanation
Residents (%) who agree their local suburban centre is lively and attractive	(13)	We continue to work on projects such as BIDs with residents to ensure lively and attractive suburban centres.
The proportion of grant funds successfully allocated (through milestones being met)	(31)	The Built Heritage Incentive Fund supports seismic strengthening and conservation projects, grants are typically a small percentage contribution to overall costs and are paid up to 18 months after grants are offered, all outcomes may not be achieved by the time a building project has been completed, where outcomes are not achieved funds are returned to the pool for reallocation.

7.0 TRANSPORT

7.1 Transport

Measure	Actual difference/ Difference in % points*	Explanation
Residents' satisfaction (%) with street lighting in suburban areas	(21)	WCC is reliant on the electricity network. We have experienced several network failures that contributed to light failures. During the upgrade of Victoria St long term failures in the network occurred. Where light failures occur we upgrade to new LED lights that are more reliable.

7.2 Parking

On-street car park turn-over rates - weekdays and weekends	Weekdays (0.7)	Parking activity has seen an increase and this has had a negative impact on turnover rates.
	Weekends (0.5)	
On-street car park compliance - time restrictions and payment		Due to the piloting and subsequent installation of parking sensors we do not need to collect this data. Going forward new measure(s) will be developed relating to the parking sensors.

Reference pages

Environment

Table 1 - Residents' usage of the city's open spaces - local parks and reserves, botanic gardens, beaches and coastal areas, and walkways

	WEEKLY			
	2013	2014	2015	2016
Coastal areas or beaches	19%	20%	22%	21%
Botanic gardens	5%	5%	6%	4%
Parks and Reserves	26%	25%	21%	22%
Town Belt or Outer Green Belt	9%	13%	11%	12%
Walking tracks	10%	14%	17%	16%
Sportsfields	16%	12%	13%	11%
	YEARLY			
	2013	2014	2015	2016
Coastal areas or beaches	95%	94%	96%	95%
Botanic gardens	83%	78%	87%	86%
Parks and Reserves	94%	92%	96%	95%
Town Belt or Outer Green Belt	72%	72%	78%	78%
Walking tracks	72%	72%	82%	80%
Sportsfields	60%	58%	60%	60%

Source: WCC Parks, Sport and Recreation

Table 2 - Freshwater biological health (macro invertebrates) - Makara, Karori, Kaiwharawhara and Porirua streams

	2013/14	2014/15	2015/16
Makara Stream	107	114	Report available in late 2016
Karori Stream	92	85	
Kaiwharawhara Stream	96	82	
Porirua Stream (Wall Park) (new in 2014/15)	-	81	
Porirua Stream (Glenside) (new in 2014/15)	-	94	

Source: Greater Wellington Regional Council

Table 3 - Freshwater quality - Makara, Karori, Kaiwharawhara and Porirua streams (note data for Owhiro Stream not available)

	2013/14	2014/15	2015/16
Makara Stream	Poor	Fair	Report available in late 2016
Karori Stream	Poor	Fair	
Kaiwharawhara Stream	Fair	Fair	
Porirua Stream (Wall Park) (new in 2014/15)	-	Poor	

Source: Greater Wellington Regional Council

Economic Development

Table 4 - Businesses and employees in research and development sector

BUSINESSES				EMPLOYEES			
YEAR	M691	P810	TOTAL	YEAR	M691	P810	TOTAL
2013	78	75	151	2013	570	4470	5040
2014	84	75	160	2014	620	4530	5150
2015	90	75	165	2015	640	4600	5240

Source: Statistics New Zealand

Cultural Wellbeing

Table 5 - Residents' frequency of engagement in cultural and arts activities

	2013/14	2014/15	2015/16
At least once a week	7%	9%	6%
At least once a month	25%	34%	32%
At least every 6 month	34%	33%	35%
At least once a year	13%	11%	15%
Less often	12%	9%	9%

Source: WCC Residents' Monitoring Survey 2016

Social and Recreation

Table 6 - Residents' perceptions that there are barriers to participating in recreation activities

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16
Too busy	20%	47%	45%	47%	43%
Poor health	9%	11%	9%	6%	8%
Activity costs too much	7%	37%	36%	26%	29%
Activity too far away	4%	22%	23%	19%	23%
No facilities for child care	0%	5%	5%	5%	5%
Weather	6%	27%	30%	34%	29%
Not at a convenient time	6%	17%	20%	21%	20%
Shift work	2%	6%	6%	6%	6%
Lack of motivation	5%	24%	23%	22%	22%
No facilities exist	1%	5%	3%	1%	2%
Tiredness	1%	20%	21%	30%	23%
Lack of knowledge about how to do it	3%	15%	13%	15%	12%
Environmental factors (eg road conditions, pollution)	0%	3%	3%	3%	3%
Lack of parking or transport	8%	20%	19%	20%	22%
Nothing or not interested	32%	10%	13%	10%	12%
Other (specify)	7%	8%	8%	8%	6%
Don't know	4%	2%	3%	1%	0.3%

Source: WCC Residents' Monitoring Survey 2016

Table 7 - Residents' usage of libraries and frequency of use

	2013/ 14	2014/ 15	2015/ 16
More than once a week	5%	4%	5%
Once a week	15%	15%	15%
Once every 2-3 weeks	22%	24%	20%
Once a month	19%	19%	20%
Once every 2-3 months	17%	21%	19%
Once every 4-6 months	11%	7%	12%
Less often than once every 6 months	11%	8%	9%
Don't Know	0%	1%	0.50%

Source: WCC Residents' Monitoring Survey 2016

Table 8 - Residents' engaging in neighbourly actions

	2014	2015	2016
Spoken to a neighbour	88%	92%	91%
Given help to a neighbour	55%	58%	62%
Received help from a neighbour	44%	47%	49%
Participated in an activity with a neighbour	34%	38%	36%
Discussed emergency preparedness with a neighbour	19%	16%	14%
None of the above	10%	7%	7%

Source: WCC Residents' Monitoring Survey 2016

Table 9 - Residents' perceptions - city and community safety issues of most concern

	2013/ 14	2014/ 15	2015/ 16
Poorly lit or dark public areas such as streets, paths and parks	71%	61%	63%
Vandalism such as broken windows in shops and public buildings	28%	26%	27%
Graffiti	40%	34%	32%
Poorly maintained or dangerous public areas such as streets, paths and parks	40%	34%	37%
Traffic, including busy roads and lack of pedestrian facilities	31%	34%	33%
Dangerous driving including speeding, drunk drivers and so on	35%	29%	30%
Alcohol and drug problems	55%	51%	49%
Car theft or vandalism, and theft from cars	29%	36%	32%
Threatening people and/or people behaving dangerously	51%	48%	51%
Other (specify)	10%	11%	10%
Nothing	2%	5%	5%
Don't know	2%	1%	2%

Source: WCC Residents' Monitoring Survey 2016

Urban Development

Table 10 - Residents' perceptions of the city centre as an easy place to get to, use and enjoy

	2013/ 14	2014/ 15	2015/ 16
Easy to get around	78%	83%	72%
Easy to access leisure activities	71%	80%	80%

Source: WCC Residents' Monitoring Survey 2016

Table 11 - Residents' perceptions of urban design/urban form safety issues (i.e. graffiti, vandalism, poorly lit public spaces, etc.)

	2014	2015	2016
Poorly lit public areas	71%	61%	63%
Vandalism	28%	26%	27%
Graffiti	40%	34%	32%
Poorly maintained public areas	40%	34%	37%

Source: WCC Residents' Monitoring Survey 2016

Table 12 - Building density throughout the city* - Report due in November 2016

	2013/14		2014/15	
	NUMBER OF BUILDINGS	BUILDING DENSITY (BUILDINGS/HECTARE)	NUMBER OF BUILDINGS	BUILDING DENSITY (BUILDINGS/HECTARE)
Central city	Data set for this measure comes from a third party. It was not updated during 2013/14		1,825	8
Inner residential			10,485	35
Outer residential			75,499	22
Business 1 & 2, Centres and Medium Density Residential Area			3,640	11

Source: WCC GIS

Table 13 - Proportion of houses within 100metres of a public transport stop

2013/14	2014/ 15	2015/ 16
Data set for this measure comes from a third party. It was not updated during 2013/14	45%	45%

Source: WCC GIS

Transport

Table 14 - Air quality monitoring (i.e. nitrogen dioxide, carbon monoxide, and particulate matter peaks)

		2013/ 14	2014/ 15	2015/ 16
NO ₂ (µg/m ³)	max	79.8	86.6	66
	mean	19	20	-
CO (mg/m ³)	max	2	2	1
	mean	0.4	0.4	-
Particulate matter (PM10) (µg/m ³)	max	28	32	32
	mean	14	13	-

Source: Greater Wellington Regional Council, Air quality state of the environment monitoring programme, Annual data report 2015

Note: The data is for the calendar year. The 2015 data is not comparable to previous years because, as a result of the Victoria St upgrade, the data is now derived from a new site on Willis St. This change of site has also meant that for 2015 there is insufficient data capture to generate a mean metric.

Table 15 - Residents' perceptions of transport related safety issues (i.e. issues of most concern)

	2013/14	2014/15	2015/16
Traffic or busy roads	31%	34%	33%
Car theft or vandalism	29%	36%	32%
Poorly lit or dark public areas	71%	61%	63%
Dangerous driving	35%	29%	30%

Source: WCC Residents' Monitoring Survey 2016

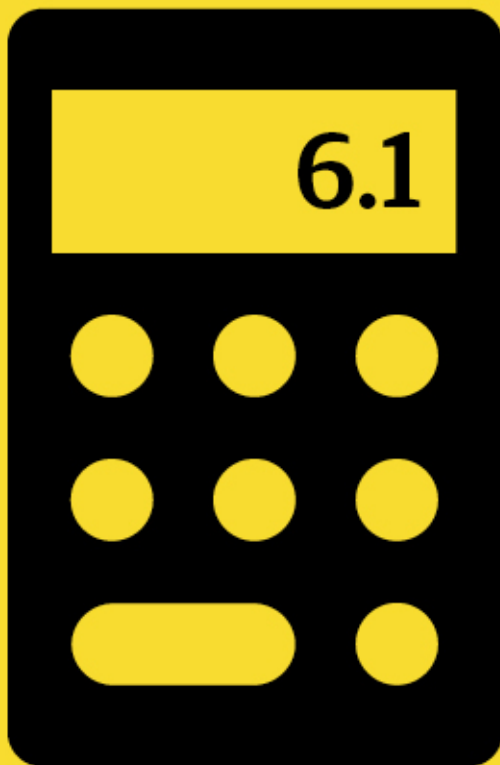
Note that survey in 2012/13 and 2013/14 asked for issues of particular concern rather than issue of 'most' concern. Prior year results are not comparable.

Table 16 - Number of cyclists and pedestrians entering the Central Business District (weekdays)

	2013/14	2014/15	2015/16
Cyclists	8,111	10,515	9,621
Pedestrians	58,750	54,319	55,120

Source: WCC Transport - Cycle Cordon Survey

Financial Statements



Wellington City Council and Group Consolidated Financial Statements For the year ended 30 June 2016

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Statement of Compliance and Responsibility

REPORTING ENTITY

Wellington City Council is a territorial local authority governed by the Local Government Act 2002.

The primary purpose of the Council and Group is to provide goods or services for community or social benefits rather than making a financial return. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

The reported Council figures includes the results and operations of Wellington City Council and the Council's interests in the joint ventures as disclosed in Note 35: Jointly controlled assets (page 224).

The reported Group figures includes the Council (as defined above), its controlled entities (subsidiaries) as disclosed in Note 19 (page 185) and the Council's equity accounted interest in the associates and a jointly controlled entity as disclosed in Note 20 (page 186). A structural diagram of the Council and Group is included on the following page.

COMPLIANCE

The Council and management of Wellington City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) have been complied with.

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 1 entity¹ and were authorised for issue by the Council on 28 September 2016.

RESPONSIBILITY

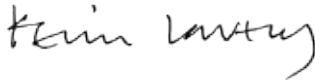
The Council and management accept responsibility for the preparation of the annual financial statements and judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management, the Annual Report for the year ended 30 June 2016 fairly reflect the financial position, results of operations and service performance achievements of Wellington City Council and Group.



Celia Wade-Brown
Mayor

28 September 2016



Kevin Lavery
Chief Executive

28 September 2016



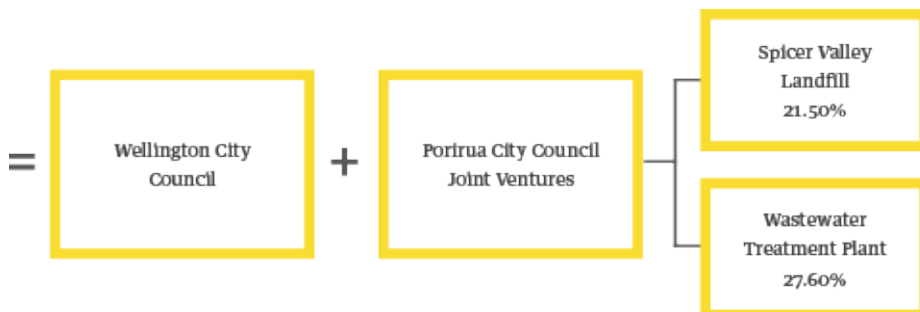
Andy Matthews
Chief Financial Officer

28 September 2016

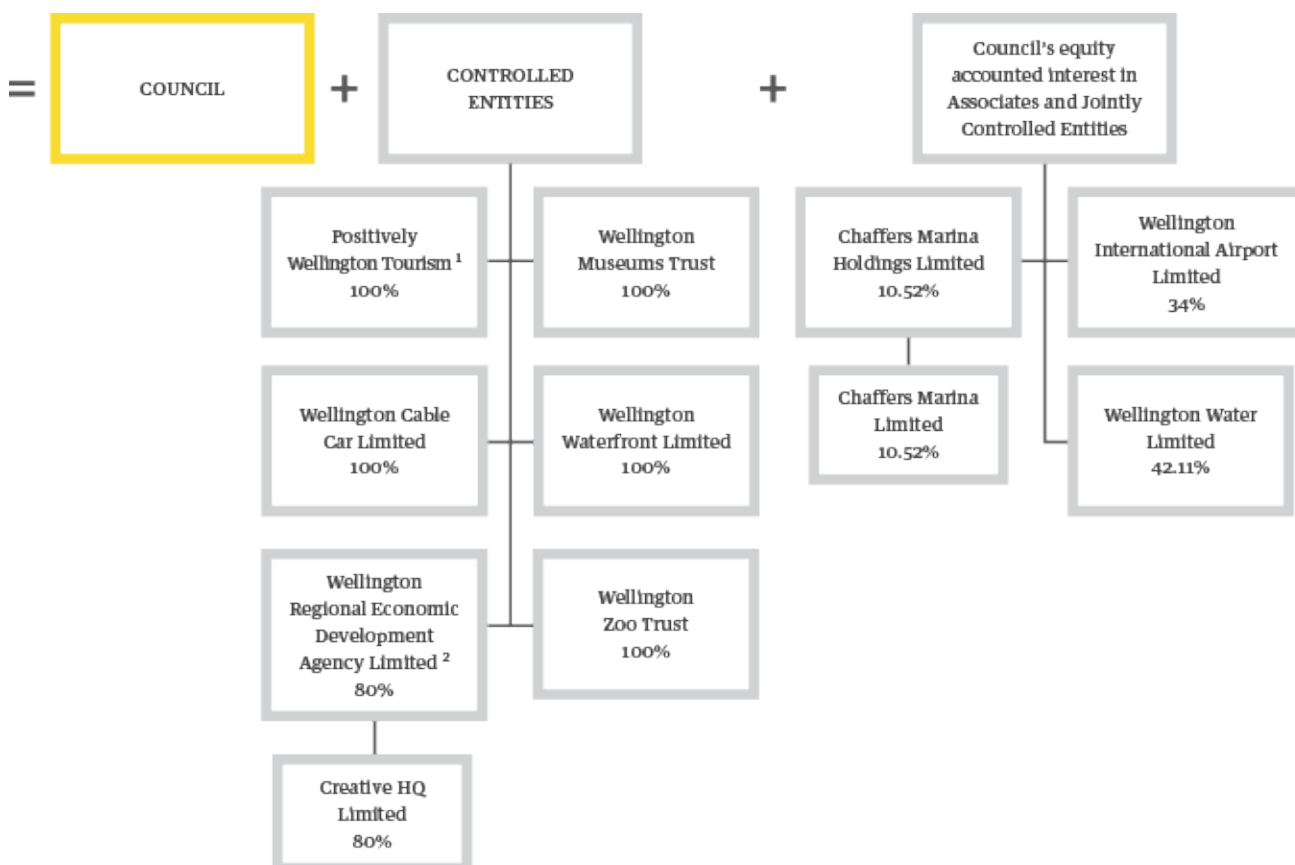
1. A Tier 1 entity is defined as being either, publicly accountable or large (ie. expenses over \$30m). Council exceeds the expenses threshold.

Council and Group Structure

WELLINGTON CITY COUNCIL REPORTING ENTITY (COUNCIL)



WELLINGTON CITY COUNCIL GROUP REPORTING ENTITY (GROUP)



All entities included within the Group are domiciled in Wellington, New Zealand.

The percentages above represent the Council's interest and/or ownership (for accounting purposes) in each of the entities in the Group. Refer to Notes 19 and 20 (pages 185 and 186) for more information.

1. The legal name of Positively Wellington Tourism is Partnership Wellington Trust. The operations of the Trust were transferred to Wellington Regional Economic Development Agency Limited with effect from 1 January 2015. The winding up of the Trust has not been completed as at 30 June 2016.
2. Wellington Regional Economic Development Agency Limited (WREDA) is a combination of the previously held activities of the Wellington Venues Limited and Positively Wellington Tourism entities. In 2015 WREDA acquired 100% ownership of Grow Wellington Limited and indirectly Creative HQ Limited from Greater Wellington Regional Council. As at 30 June 2016 Grow Wellington was fully amalgamated into the operations of WREDA.

BASIS OF CONSOLIDATION

Joint ventures

Joint ventures are binding contractual arrangements with other parties to jointly control an undertaken activity. The accounting treatment can vary according to the structure of the venture concerned. The two structure types are either a jointly controlled asset or a jointly controlled entity.

For a jointly controlled asset the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's proportionate interest (ie 21.5% of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

For a jointly controlled entity the Council chooses to use the equity accounting treatment option available as it better reflects its investment in the joint venture. The investment is initially recognised at cost, and adjusted thereafter for the post-acquisition changes in the Council's share of net assets/equity of the entity. The Council's share of the surplus or deficit of the entity is included in the Group's surplus or deficit on a single line.

Controlled entities

Controlled entities are entities that are controlled by the Council. In the Council financial statements, the investment in controlled entities are carried at cost. In the Group financial statements, controlled entities are accounted for using the purchase method where assets, liabilities, revenue and expenditure are added on a line-by-line basis. Where a non-controlling interest is held by another party in a Council controlled entity, the controlled entity is consolidated as if it was fully controlled and the share of any surplus or deficit attributable to the non-controlling interest is disclosed within the Statement of Comprehensive Revenue and Expense.

All significant transactions between Group entities, other than rates, are eliminated on consolidation. Rates are charged on an arm's length basis and are not eliminated to ensure that reported costs and revenues are consistent with the Council's Annual Plan.

Associates

Associates are entities where the Council has significant influence over their operating and financial policies but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

Council Controlled Organisations

The Council has established several Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's) to help it achieve its goals for Wellington. These organisations were set up to independently manage Council facilities, or deliver specific services and developments on behalf of Wellington residents. Information on these organisations is found across the relevant sections of the Statements of Service Provision. Council has made appointments to other organisations, which make them Council Organisations (as defined in the Local Government Act 2002) but they are not Council controlled or part of the Group.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2016

	NOTE	COUNCIL			GROUP	
		ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2016	2016	2015	2016	2015
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	1	272,127	270,907	253,574	272,127	253,574
Revenue from operating activities						
Development contributions	2	2,747	2,000	2,078	2,747	2,078
Grants, subsidies and reimbursements	2	33,083	42,511	40,826	44,383	53,213
Other operating activities	2	124,926	121,287	121,482	135,235	132,639
Investments revenue	3	23,204	20,135	24,176	11,145	11,257
Vested assets and other revenue	4	13,732	1,050	14,400	13,732	14,400
Fair value gains	5	14,173	4,289	10,515	14,177	10,515
Finance revenue		3,103	13	2,839	3,407	3,213
Total revenue		487,095	462,192	469,890	496,953	480,889
Expense						
Finance expense	6	(24,223)	(22,961)	(23,238)	(24,223)	(23,239)
Expenditure on operating activities	7	(329,583)	(316,333)	(310,335)	(347,721)	(330,454)
Depreciation and amortisation expense	8	(99,183)	(99,797)	(99,009)	(100,970)	(100,024)
Fair value reductions		-	-	(1,766)	-	(1,794)
Total expense		(452,989)	(439,091)	(434,348)	(472,914)	(455,511)
Share of equity accounted surplus/(deficit) from associates and jointly controlled entity	9	-	-	-	12,811	11,612
Net surplus before taxation		34,106	23,101	35,542	36,850	36,990
Income tax credit/(expense)	10	-	-	-	(240)	(609)
NET SURPLUS for the year		34,106	23,101	35,542	36,610	36,381
Net surplus attributable to:						
Wellington City Council and Group		34,106	23,101	35,542	36,610	36,281
Non-controlling interest		-	-	-	-	100
		34,106	23,101	35,542	36,610	36,381

The notes on pages 146 to 234 form part of and should be read in conjunction with the financial statements

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE - CONTINUED

For the year ended 30 June 2016

	REFER	COUNCIL			GROUP	
		ACTUAL 2016 \$000	BUDGET 2016 \$000	ACTUAL 2015 \$000	ACTUAL 2016 \$000	ACTUAL 2015 \$000
Net surplus for the year		34,106	23,101	35,542	36,610	36,381
Other comprehensive revenue and expense ¹						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Cash flow hedges:						
Fair value movement - net	SCIE ²	(21,268)	-	(17,059)	(21,268)	(17,059)
Fair value through other comprehensive revenue and expense						
Fair value movement - net	SCIE	1,542	-	43	1,521	442
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Non-controlling interest:						
Movement in non-controlling interest		-	-	-	(32)	316
Revaluations:						
Fair value movement - property, plant and equipment - net	SCIE	(211)	-	11,168	(211)	11,168
Share of other comprehensive revenue and expense of associates and jointly controlled entity:						
Fair value movement - property, plant and equipment - net	SCIE	-	-	-	-	3,862
Effect of changed shareholding in associates	SCIE	-	-	-	-	27
Total other comprehensive revenue and expense		(19,937)	-	(5,848)	(19,990)	(1,244)
TOTAL COMPREHENSIVE REVENUE and EXPENSE for the year		14,169	23,101	29,694	16,620	35,137
Total comprehensive revenue and expense attributable to:						
Wellington City Council and Group		14,169	23,101	29,694	16,620	35,037
Non-controlling interest		-	-	-	-	100
		14,169	23,101	29,694	16,620	35,137

1. Other comprehensive revenue or expense is non-cash in nature and only reflects changes in equity.

2. Statement of Changes in Equity - see page 200.

The notes on pages 146 to 234 form part of and should be read in conjunction with the financial statements

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE - MAJOR BUDGET VARIATIONS

Significant variations from budgeted revenues and expenses are as follows:

Revenues were \$24.903m higher than budgeted primarily due to:

- \$1.225m of rates largely reflecting higher water rates from higher consumption
- \$0.747m more Development Contributions received than budgeted for
- \$3.639m of other operating activities including \$1.694m more from the Wellington Venues project and \$1.271m unbudgeted reimbursement revenue from the Shared Services programme
- \$3.069m of investment revenues including \$1.179m of extra dividends
- \$12.682m of unbudgeted vested assets (\$10.181m) and other revenue (\$1.700m - mainly due to gains on the disposal of assets)
- \$9.884m of non-cash fair value gains arising from higher than budgeted investment property revaluations
- \$3.103m of unbudgeted interest income (see finance expense below)

These higher revenues were offset by \$9.428m of lower than budgeted grants, subsidies and reimbursements primarily reflecting the delayed recognition of capital grants relating to the housing upgrade project.

Expenses were \$13.898m higher than budgeted primarily due to:

- \$1.262m greater finance expense. However, when this is offset by the \$3.103m of unbudgeted finance revenue net interest is under budget by \$1.841m
- \$13.250m on operating activities largely due to the unbudgeted \$12.006m increase in the provision for weathertight homes liabilities

These higher expenses were offset by \$0.614m of lower depreciation costs largely due to City Housing valuations (2015) being lower than expected, lower property capital expenditure on Earthquake Resilience, both offsetting accelerated depreciation costs on IT assets due to be phased out in 2016/17.

NOTE 1: RATES REVENUE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
General rates				
Base sector	83,317	73,417	83,317	73,417
Commercial, industrial and business sector	68,315	60,835	68,315	60,835
Targeted rates				
All (excluding water rates by meter)	105,897	106,640	105,897	106,640
Total rates revenue (excluding water rates by meter)	257,529	240,892	257,529	240,892
Water rates by meter revenue	14,598	12,682	14,598	12,682
TOTAL RATES REVENUE	272,127	253,574	272,127	253,574

The total amount of rates charged on Council owned properties that have not been eliminated from revenue and expenditure is \$12.752m (2015: \$11.623m). For the Group, rates of \$12.787m (2015: \$11.657m) have not been eliminated.

The revenue from rates for Wellington City Council was billed on the following rating information held as at 30 June 2015.

The number of rating units: 77,271 (30 June 2014: 76,680).

	2016 \$000	2015 \$000
Total capital value of rating units	51,685,784	51,238,236
Total land value of rating units	22,326,668	22,259,307

Relevant significant accounting policies

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers. Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of non-exchange.

Water rates by meter are regulated in the same way as other rates and are taxes that use a specific charging mechanism to collect the rate. However, as the rates charged are primarily based on a per unit of consumption basis, water rates by meter are considered to be more in the nature of an exchange transaction. Revenue from water rates by meter is recognised on an accrual basis based on usage.

Rates remissions

Revenue from rates and levies is shown net of rates remissions. The Council's Rates Remission and Postponement Policies provide for general rates to be partially remitted for rural open space; land used principally for games or sport and in special circumstances (where the rating policy is deemed to unfairly disadvantage an individual ratepayer). A remission of the Downtown levy targeted rate may also be granted to provide rates relief for downtown commercial property temporarily not fit for the purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown levy targeted rate. The Council committed itself at the start of the year to certain remissions, which for the reporting period ended 30 June 2016 totalled \$0.407m (2015: \$0.378m).

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties are non-rateable. This includes schools, churches, public gardens and certain land vested in the Crown. This land is non-rateable in respect of general rates but, where applicable, is rateable in respect of sewerage and water. Non-rateable land does not constitute a remission under the Council's Rates Remission and Postponement Policies.

NOTE 2: REVENUE FROM OPERATING ACTIVITIES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Development contributions	2,747	2,078	2,747	2,078
Grants, subsidies and reimbursements				
Operating	7,107	7,735	17,610	15,872
Capital	25,976	33,091	26,773	37,341
Total grants, subsidies and reimbursements	33,083	40,826	44,383	53,213
Other operating activities				
Fines and penalties	6,968	7,857	6,968	7,857
Rendering of services	111,268	107,709	120,294	117,700
Sale of goods	6,690	5,916	7,973	7,082
Total other operating activities	124,926	121,482	135,235	132,639
TOTAL REVENUE FROM OPERATING ACTIVITIES	160,756	164,386	182,365	187,930

For the Council, the principal grants and reimbursements are from:

- The New Zealand Transport Agency (NZTA), which reimburses part of the Council's costs for maintaining the local roading infrastructure. The capital reimbursements from NZTA of \$12.855m (2015: \$18.089m) and operating reimbursements of \$4.768m (2015: \$5.591m) are for costs already incurred and there are no unfulfilled conditions or other contingencies relating to the reimbursements.
- The Crown, for the upgrade of the Council's social housing stock. The capital grant and operating grant recognised in the current year being, \$11.254m (2015: \$13.388m) and \$1.233m (2015: \$1.038m) respectively, are part of a 10 year work programme that commenced in 2008 and the revenue is recognised in accordance with that agreed work programme. There are no unfulfilled conditions or other contingencies relating to this utilised grant revenue apart from the overarching requirement for Council to maintain its investment and provision of social housing until 2037.

For the Group, the additional principal subsidy was \$3.718m (2015: \$6.949m) from Greater Wellington Regional Council to Wellington Cable Car Limited for the maintenance and upgrade of the overhead wire trolley system.

For other operating activities of Council, the principal services rendered (provided) were:

- Social housing - \$21.769m (2015: \$21.438m)
- Parking fees and permits - \$18.597m (2015: \$17.991m)
- Convention and conferences centres - \$15.076m (2015: \$14.931m)
- Building consents and licensing services - \$13.823m (2015: \$13.240m)
- Landfill operations and recycling - \$11.138m (2015: \$10.346m) - including unbudgeted revenue from the joint venture with Porirua City Council \$0.993m (2015: \$1.258m)

Relevant significant accounting policies

Revenue from operating activities is generally measured at the fair value of consideration received or receivable.

The Council undertakes various activities as part of its normal operations which generates revenue, but generally at below market prices or at fees and user charges subsidised by rates. The following categories (except where noted) are classified as transfers, which are non-exchange transactions other than taxes.

See Note 13: Receivables and recoverables (page 167), for an explanation of exchange and non-exchange transactions, transfers and taxes.

Development contributions

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Until such time as the Council provides, or is able to provide the service, development contributions are recognised as liabilities.

Grants, subsidies and reimbursements

Grants, subsidies and reimbursements are initially recognised at their fair value where there is reasonable assurance that the monies will be received and all attaching conditions will be complied with. Grants and subsidies received in relation to the provision of services are recognised on a percentage of completion basis. Reimbursements (eg NZTA roading claim payments) are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Fines and penalties

Revenue from fines and penalties (eg traffic and parking infringements, library overdue book fines) is recognised when infringement notices are issued or when the fines/penalties are otherwise imposed. In particular the fair value of parking related fines is determined based on the probability of collecting fines considering previous collection history and a discount for the time value of money.

Rendering of services

Revenue from the rendering of services (eg building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some rendering of services are provided at a market rate or on a full cost recovery basis (eg. Parking fees) and these are classified as exchange.

Sale of goods

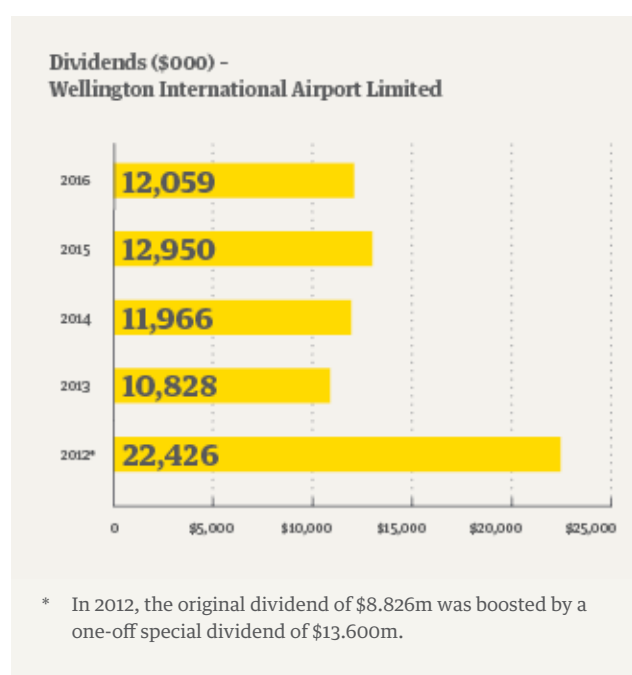
The sale of goods is classified as exchange revenue. Sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer.

NOTE 3: INVESTMENTS REVENUE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Dividend from investment in controlled entities	-	-	-	-
Dividend from investment in associates	12,059	12,950	-	-
Dividend from investment in other entities	120	132	120	132
Investment property lease rentals	11,025	11,094	11,025	11,094
Proceeds from the sale of shares	-	-	-	31
TOTAL INVESTMENT REVENUE	23,204	24,176	11,145	11,257

The primary investment dividend was from Council's 34% holding in Wellington International Airport Limited.

The Council continues to maintain its current level of investment as it considers the dividend stream adds diversity to normal rates revenue. The investment holding is presently maintained as it is strategically, financially and economically prudent to do so.



For further information refer to Note 20: Investment in associates and jointly controlled entity (page 186).

The rentals from investment property leases are primarily from ground leases around the CBD and on the waterfront. The Council periodically reviews its continued ownership of investment properties by assessing the benefits against other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership and in terms of the most financially viable method of achieving the delivery of Council services.

For further information refer to Note 17: Investment properties (page 173).

Relevant significant accounting policies

Dividends

Dividends from equity investments are recognised when the Council's right to receive payment has been established.

Investment property lease rentals

Lease rentals (net of any incentives given) are recognised on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

NOTE 4: VESTED ASSETS AND OTHER REVENUE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Vested assets	10,181	12,368	10,181	12,368
Other revenue	3,551	2,032	3,551	2,032
TOTAL VESTED ASSETS AND OTHER REVENUE	13,732	14,400	13,732	14,400

Vested assets are principally infrastructural assets such as roading, drainage, waste and water assets that have been constructed by developers. As part of the consents process, ownership of these assets is transferred to the Council, and on completion they become part of the city's network. Vested assets are non-cash in nature and represent a future obligation to the Council, as the Council will have the on-going costs associated with maintaining the assets.

The values of principal vested assets received were:

- Roading - \$3.737m (2015: \$2.341m)
- Drainage, waste and water - \$5.982m (2015: \$2.083m)
- Carbon credits - \$0.422m (2015: \$0.392m)

Relevant significant accounting policies

Donated, subsidised or vested assets

Where a physical asset is acquired for nil or nominal consideration, with no conditions attached, the fair value of the asset received, as determined by active market prices, is recognised as non-exchange revenue when the control of the asset is transferred to the Council.

Gains

Gains include additional earnings (ie sale proceeds in excess of the book value) on the disposal of property, plant and equipment.

Donated services

The Council benefits from the voluntary service of many Wellingtonians in the delivery of its activities and services (eg beach cleaning and Otari-Wilton's Bush guiding and planting). Due to the difficulty in determining the precise value of these donated services with sufficient reliability, donated services are not recognised in these financial statements.

NOTE 5: FAIR VALUE GAINS

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Investment property revaluation	13,773	8,552	13,773	8,552
Amortisation of loans to related parties	400	564	404	564
Derivatives at fair value through surplus or deficit	-	137	-	137
Gain on investment acquisition	-	1,262	-	1,262
TOTAL FAIR VALUE GAINS	14,173	10,515	14,177	10,515

Investment properties, which are revalued annually, are held primarily to earn rental revenue and/or for capital growth. These properties include the Council's ground leases and land and buildings, including the waterfront's investment properties.

The gain on investment acquisition in 2015 relates to the Council's purchase of Grow Wellington Limited, from GWRC, which is now fully amalgamated into WREDA.

Relevant significant accounting policies

Gains

Gains include increases on the revaluation of investment property and in the fair value of financial assets and liabilities.

Investment properties

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

Derivatives

Movements on derivatives at fair value through surplus or deficit represents the fair value movements on interest rate swaps that do not meet the criteria for hedge accounting. Movements in the Group's other derivatives that meet the criteria for hedge accounting, are taken to the cash flow hedge reserve and have no impact on the net surplus for the year.

NOTE 6: FINANCE EXPENSE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Interest on borrowings	23,219	22,142	23,219	22,143
Interest on finance leases	14	29	14	29
Re-discounting of interest on provisions	990	1,067	990	1,067
TOTAL FINANCE EXPENSE	24,223	23,238	24,223	23,239
<i>Less</i>				
Finance revenue - interest earned	3,103	2,839	3,407	3,213
NET FINANCE COST	21,120	20,399	20,816	20,026

Relevant significant accounting policies

Interest on borrowings

Interest expense is recognised using the effective interest rate method. All borrowing costs are expensed in the period in which they are incurred.

Re-discounting of interest

Re-discounting of interest on provisions is the Council's funding cost for non-current provisions (where the cash flows will not occur until a future date). For further information refer to Note 24: Employee benefit liabilities and provisions (page 193) and Note 25: Provisions for other liabilities (page 195).

Interest earned

Interest earned is recognised using the effective interest rate method.

NOTE 7: EXPENDITURE ON OPERATING ACTIVITIES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Auditor's remuneration:				
Audit services - Audit New Zealand - Financial Statements	282	277	410	382
Audit services - Audit New Zealand - Long-term plan	45	135	45	135
Audit services - Audit New Zealand - other	11	34	11	34
Audit services - Other Auditors	-	-	35	35
Impairments				
Bad debts written off not previously provided for	282	307	282	334
Increase in provision for impairment of receivables and recoverables	437	452	437	452
Impairment loss from property, plant and equipment	132	5,072	581	5,072
Impairment loss on shares	-	-	18	6
Governance and employment				
Elected member remuneration	1,526	1,484	1,526	1,484
Independent Directors/trustees fees for controlled entities	-	-	354	406
Employee benefits expense:				
- Remuneration	79,343	79,518	101,994	99,229
- Superannuation contributions (including Kiwisaver)	2,253	2,108	2,767	2,526
- Termination benefits (including severances)	924	641	924	724
Other personnel costs	3,657	3,609	4,362	4,060
Insurance				
Insurance premiums	9,535	10,713	9,936	11,120
Insurance reserve costs - net	545	1,632	545	1,632
General				
Advertising, printing and publications	2,538	2,850	8,686	9,319
Consultants and legal fees	12,506	9,423	13,181	9,577
Contractors	3,083	3,205	5,046	5,269
Direct costs	110,894	109,788	115,651	118,590
Grants - general	18,542	10,910	17,924	11,028
Grants to controlled entities	19,842	17,614	-	-
Information and communication technology	9,273	6,367	10,235	7,230
Loss on disposal of property, plant and equipment	1,827	354	2,174	335
Loss on disposal of intangibles	-	24	-	24
Operating lease - minimum lease payments	1,313	1,311	2,613	2,527
Reassessment of provisions	12,079	1,045	12,079	1,045
Utility costs	19,632	18,899	20,073	19,360
Other general costs	19,082	22,563	15,832	18,519
TOTAL EXPENDITURE ON OPERATING ACTIVITIES	329,583	310,335	347,721	330,454

Auditor's remuneration

During the period Audit New Zealand provided other services to the Council, namely assurance services relating to the Clifton Terrace Carpark managed by the Council on behalf of the NZTA and specialist assurance advice on shared IT services.

Impairments

The impairment loss from property, plant and equipment in 2015 primarily related to the Town Hall due to the building being earthquake prone. Its value in use was calculated as the difference between the expected value of the building after strengthening has been completed and the costs to strengthen it. The impairment amounted to \$4.513m.

Governance and employment

Governance costs relate to the remuneration made to all elected members, comprising the Mayor, Councillors and Community Board members and also to directors appointed to boards of Controlled entities.

Employment costs relate to the remuneration paid directly to staff, other employee benefits such as Kiwisaver and other associated costs such as recruitment and training.

For further information refer to Note 37: Remuneration and staffing levels (page 229).

General

Direct costs are costs directly attributable to the rendering of Council services, including contracts, maintenance, management fees, materials and services.

Grants - general, include \$2.250m (2015: \$2.250m) towards the funding of the Museum of New Zealand, Te Papa Tongarewa.

Grants to controlled entities such as the Wellington Zoo Trust are for operational funding purposes. For details of the funding to these entities refer to Note 36: Related party disclosures (page 225).

Operating lease minimum lease payments are for non-cancellable agreements for the use of assets such as buildings and specialised computer equipment.

Reassessment of provisions primarily relates to the Weathertight homes provision. Refer to Note 25: Provisions for other liabilities (page 195) for more detailed information.

Utility costs are those relating to the use of electricity, gas, and water. It also includes the payment of rates and water meter charges of \$12.824m (2015: \$11.623m) on Council owned properties.

Relevant significant accounting policies

Grants and sponsorships

Expenditure is classified as a grant or sponsorship if it results in a transfer of resources (eg cash or physical assets) to another entity or individual in return for compliance with certain conditions relating to the operating activities of that entity. It includes any expenditure arising from a funding arrangement with another entity that has been entered into to achieve the objectives of the Council. Grants and sponsorships are distinct from donations which are discretionary or charitable gifts. Where grants and sponsorships are discretionary until payment, the expense is recognised when the payment is made. Otherwise, the expense is recognised when the specified criteria have been fulfilled.

Cost allocation

The Council has derived the cost of service for each significant activity (as reported within the Statements of Service Provision). Direct costs are expensed directly to the activity. Indirect costs relate to the overall costs of running the organisation and include staff time, office space and information technology costs. These indirect costs are allocated as overheads across all activities.

Research and Development

Research costs are expensed as incurred. Development expenditure on individual projects is capitalised and recognised as an asset when it meets the definition and criteria for capitalisation as an asset and it is probable that the Council will receive future economic benefits from the asset. Assets which have finite lives are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives.

NOTE 8: DEPRECIATION AND AMORTISATION

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Depreciation				
Buildings	20,348	22,435	20,348	22,435
Civic Centre complex	2,739	2,793	2,739	2,793
Restricted buildings	1,521	1,430	1,521	1,430
Drainage, waste and water infrastructure	27,586	27,248	27,586	27,248
Service concession assets	4,969	4,969	4,969	4,969
Landfill post closure	145	136	145	136
Library collections	2,165	2,092	2,165	2,092
Plant and equipment	11,890	11,712	13,621	12,684
Roading infrastructure	23,341	21,857	23,341	21,857
Total depreciation	94,704	94,672	96,435	95,644
Amortisation				
Computer software	4,479	4,337	4,535	4,380
Total amortisation	4,479	4,337	4,535	4,380
TOTAL DEPRECIATION AND AMORTISATION	99,183	99,009	100,970	100,024

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

Relevant significant accounting policies

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, restricted assets other than buildings, and assets under construction (work in progress). Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset (less any assessed residual value) over its estimated useful life.

The landfill post closure asset is depreciated over the life of the landfill based on the capacity of the landfill.

Amortisation

The amortisation of intangible assets is charged on a straight-line basis over the estimated useful life of the associated assets.

The estimated useful lives and depreciation rate ranges of the major classes of property, plant and equipment are as follows:

ASSET CATEGORY	2016	
	USEFUL LIFE (YEARS)	DEPRECIATION RATE
Land	unlimited	not depreciated
Buildings	1 - 75	1.33 - 100%
Civic Centre Complex	10 - 78	1.28 - 10%
Plant and equipment	3 - 100	1 - 33.3%
Library collection	3 - 11	9.1 - 33.3%
Restricted assets (excluding buildings)	unlimited	not depreciated
Infrastructure assets:		
Land (including land under roads)	unlimited	not depreciated
Roading	3 - 175	0.57 - 33.3%
Drainage, waste and water	3 - 175	0.57 - 33.3%
Service concession arrangements	3 - 100	1 - 33.3%

The variation in the range of lives for infrastructural assets is due to these assets being managed and depreciated by individual component rather than as a whole asset.

Computer software has a finite economic life and amortisation is charged to surplus or deficit on a straight-line basis over the estimated useful life of the asset. Typically, the estimated useful lives and amortisation rate range of these assets are as follows:

ASSET CATEGORY	2016	
	USEFUL LIFE (YEARS)	AMORTISATION RATE
Computer software	2 - 10	10 - 50%

NOTE 9: SHARE OF ASSOCIATES' AND JOINTLY CONTROLLED ENTITY'S SURPLUS OR DEFICIT

The Council's share of the results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is as follows:

	GROUP	
	2016 \$000	2015 \$000
Chaffers Marina Holdings Limited		
Share of net surplus/(deficit) before tax	(36)	4
Tax (expense)/credit	-	-
Share of associate's surplus/(deficit) - Chaffers Marina Holdings Limited	(36)	4
Wellington International Airport Limited		
Share of net surplus before tax	12,804	10,764
Tax (expense)/credit	1	424
Share of associate's surplus/(deficit) - Wellington International Airport Limited	12,805	11,188
Wellington Water Limited		
Share of net surplus/(deficit before tax)	42	420
Tax (expense)/credit	-	-
Share of jointly controlled entities surplus/(deficit) - Wellington Water Limited	42	420
TOTAL SHARE OF ASSOCIATES' AND JOINTLY CONTROLLED ENTITY'S SURPLUS OR (DEFICIT)	12,811	11,612

Further information on the cost and value of the above investments is found in Note 20: Investments in Associates and Jointly Controlled Entity (page 186).

Relevant significant accounting policies

Associates are entities where the Council has significant influence over their operating and financial policies but they are not controlled entities or joint ventures. In the Council financial statements, the investments in associates are carried at cost. In the Group financial statements, the Council's share of the assets, liabilities, revenue and expenditure of associates is included on an equity accounting basis as a single line.

For a jointly controlled entity the Council chooses to use the equity accounting treatment option available as it better reflects its investment in the joint venture. The investment is initially recognised at cost, and adjusted thereafter for the post-acquisition changes in the Council's share of net assets/equity of the entity. The Council's share of the surplus or deficit of the entity is included in the Group's surplus or deficit on a single line.

NOTE 10: INCOME TAX EXPENSE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current tax expense				
Current year	-	-	(216)	221
Prior period adjustment	-	-	-	(1)
Total current tax expense	-	-	(216)	220
Deferred tax expense				
Origination and reversal of temporary differences	(100)	(68)	-	-
Change in unrecognised temporary differences	-	-	456	389
Recognition of previously unrecognised tax losses	100	68	-	-
Total deferred tax expense	-	-	456	389
TOTAL INCOME TAX EXPENSE / (CREDIT)	-	-	240	609

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
RECONCILIATION OF TAX ON THE SURPLUS AND TAX EXPENSE				
Surplus for the period before taxation	34,106	35,542	36,850	36,990
Prima facie income tax based on domestic tax rate - 28%	9,550	9,952	10,318	10,357
Effect of non-deductible expenses and tax exempt income	(9,590)	(9,978)	(10,720)	(9,873)
Effect of tax losses utilised	100	68	-	-
Current years loss for which no deferred tax asset was recognised	40	25	40	25
Recognition of prior year loss	(100)	(68)	(100)	(68)
Previously unrecognised tax losses now utilised	-	-	(41)	-
Change in unrecognised temporary differences	-	-	738	542
Prior period adjustment	-	-	(205)	-
Share of income tax of equity accounted associates	-	-	211	(375)
TOTAL INCOME TAX EXPENSE / (CREDIT)	-	-	240	609

	GROUP	
	2016 \$000	2015 \$000
IMPUTATION CREDITS		
Imputation credits available in subsequent periods	87	77

Relevant significant accounting policies

Council, as a local authority is only liable for income tax on the surplus or deficit for the year derived from any council controlled trading organisations and comprises current and deferred tax. Other members of the Group are subject to normal taxation unless they have tax exempt status as charitable trusts.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	NOTE	COUNCIL			GROUP	
		ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2016	2016	2015	2016	2015
		\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	11	94,009	1,249	65,913	103,623	75,598
Receivables from exchange transactions	13	11,621	10,662	6,611	12,199	7,492
Recoverables from non-exchange transactions	13	34,519	31,671	33,403	35,414	34,964
Other financial assets	14	315	-	150	315	150
Prepayments		11,500	12,096	12,453	11,962	12,987
Inventories		1,101	888	899	1,915	1,849
Non-current assets classified as held for sale	15	1,504	-	1,668	1,504	1,668
Total current assets		154,569	56,566	121,097	166,932	134,708
Non-current assets						
Derivative financial assets	12	-	-	725	-	725
Receivables from exchange transactions	13	4,185	-	-	4,186	-
Other financial assets	14	12,865	10,473	9,403	14,343	10,851
Intangibles	16	26,737	28,936	21,465	26,815	21,568
Investment properties	17	211,237	196,566	201,557	211,237	201,557
Property, plant and equipment	18	6,645,975	6,674,860	6,595,900	6,659,487	6,608,226
Investment in controlled entities	19	5,071	3,809	5,071	-	-
Investment in associates and jointly controlled entity	20	19,465	19,504	19,465	138,419	137,666
Total non-current assets		6,925,535	6,934,148	6,853,586	7,054,487	6,980,593
TOTAL ASSETS		7,080,104	6,990,714	6,974,683	7,221,419	7,115,301
LIABILITIES						
Current liabilities						
Derivative financial liabilities	12	522	-	250	522	250
Payables under exchange transactions	21	42,627	59,122	45,429	45,703	49,922
Taxes and transfers payable	21	10,647	-	12,635	11,299	12,817
Revenue in advance	22	43,098	33,496	29,293	45,193	32,791
Borrowings	23	140,075	219,789	164,104	140,075	164,107
Employee benefit liabilities and provisions	24	7,189	6,845	6,306	8,707	7,467
Provision for other liabilities	25	10,953	11,790	15,207	10,953	15,207
Total current liabilities		255,111	331,042	273,224	262,452	282,561
Non-current liabilities						
Derivative financial liabilities	12	38,208	-	17,937	38,208	17,937
Payables under exchange transactions	21	630	630	630	630	630
Borrowings	23	350,409	196,474	269,624	350,409	269,624
Employee benefit liabilities and provisions	24	995	1,708	1,096	1,056	1,157
Provision for other liabilities	25	50,250	23,945	41,840	50,250	41,840
Deferred tax	26	-	-	-	1,482	1,240
Total non-current liabilities		440,492	222,757	331,127	442,035	332,428
TOTAL LIABILITIES		695,603	553,799	604,351	704,487	614,989

	NOTE	COUNCIL			GROUP	
		ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2016	2016	2015	2016	2015
		\$000	\$000	\$000	\$000	\$000
EQUITY						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,756,048	3,725,547	3,722,229	3,745,251	3,709,806
Revaluation reserves	27	1,382,337	1,429,106	1,383,201	1,496,198	1,497,062
Hedging reserve	28	(38,730)	137	(17,462)	(38,730)	(17,462)
Fair value through other comprehensive revenue and expense reserve	29	1,648	63	106	2,026	505
Non-controlling interest		-	-	-	284	316
Restricted funds	30	14,064	12,928	13,124	18,741	16,923
TOTAL EQUITY		6,384,501	6,436,915	6,370,332	6,516,932	6,500,312
TOTAL EQUITY AND LIABILITIES		7,080,104	6,990,714	6,974,683	7,221,419	7,115,301

The notes on pages 146 to 234 form part of and should be read in conjunction with the financial statements

STATEMENT OF FINANCIAL POSITION - MAJOR BUDGET VARIATIONS

Significant variations from budget are as follows:

Current assets are \$98.003m higher than budget primarily due to:

- \$92.760m more cash and cash equivalents held reflecting the near zero cash position used in the budget. Council continues to hold higher levels of investment deposits due to certain favourable interest rates and liquidity requirements
- \$3.807m of higher receivables and recoverables including \$2.6m from asset sales
- \$1.504m of other assets re-classified from non-current to be as held for sale

Non-current assets are \$8.613m lower than budget primarily due to:

- \$28.885m of lower than budgeted property, plant and equipment assets due to lower than budgeted capital expenditure
- \$2.199m of lower intangible assets also due to lower than budgeted capital expenditure

Offsetting these decreases are the following increases:

- \$4.185m of asset sales not due for payment until 2017/18
- \$1.409m of unrealised value in the investment in the LGFA
- \$14.671m increase in investment property assets with \$13.773m directly from revaluations
- \$1.262m of unbudgeted equity investment value arising from WREDA's acquisition of Grow Wellington in 2015/16

Total liabilities are \$141.804m higher than budget due to:

- \$68.373m of higher borrowings partly due to the unbudgeted land purchases for the movie museum and convention centre, pre-funding of future debt repayments and other liquidity requirements
- \$38.208m of unbudgeted non-cash derivative financial liabilities
- \$25.099m of unbudgeted provisions largely due to the \$12.006m increase in the weathertight homes provision

Offsetting these increases are the following decreases:

- \$5.848m fewer payables partly due to timing
- \$9.602m of extra revenue in advance primarily due to unrecognised capital grant funding associated with the housing upgrade project

NOTE 11: CASH AND CASH EQUIVALENTS

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Cash at bank	7,986	1,392	13,711	7,622
Cash on hand	23	21	35	34
Short term bank deposits up to 3 months	86,000	64,500	89,877	67,942
TOTAL CASH AND CASH EQUIVALENTS	94,009	65,913	103,623	75,598

Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

Short term deposits are made with a registered bank, with a credit rating of at least A⁺, for varying periods of up to three months depending on the immediate cash requirements and short term borrowings of the Group, and earn interest at the applicable short term deposit rates.

Council holds short term deposits as part of its overall liquidity risk management programme. This programme enables Council to maintain its regular commercial paper programme and to pre-fund upcoming debt maturities. The combination of the commercial paper programme and holding short term deposits reduces Council's cost of funds.

NOTE 12: DERIVATIVES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Assets				
Non-current assets				
Interest rate swaps - cash flow hedges	-	725	-	725
Total non-current assets	-	725	-	725
TOTAL DERIVATIVE FINANCIAL INSTRUMENT ASSETS	-	725	-	725
Liabilities				
Current liabilities				
Interest rate swaps - cash flow hedges	522	250	522	250
Total current liabilities	522	250	522	250
Non-current liabilities				
Interest rate swaps - cash flow hedges	38,208	17,937	38,208	17,937
Interest rate swaps - non-hedged	-	-	-	-
Total non-current liabilities	38,208	17,937	38,208	17,937
TOTAL DERIVATIVE FINANCIAL INSTRUMENT LIABILITIES	38,730	18,187	38,730	18,187

Derivative financial instruments are used by the Group in the normal course of business to hedge exposure to cash flow and fair value interest rate risk. The amounts shown above represent the fair values of these derivative financial instruments. Although these are managed as a portfolio, the Group has no rights to offset assets and liabilities and must present these figures separately.

Cash flow hedges are used to fix interest rates on floating rate debt (floating rate notes or commercial paper) or bank borrowings. Fair value hedges are used to convert interest rates on some fixed rate debt (bonds) to floating rates.

For further information on the Council's interest rate swaps please refer to Note 28: Hedging Reserve (page 205) and Note 32: Financial instruments (page 212).

Relevant significant accounting policies

Derivative financial instruments include interest rate swaps used to hedge exposure to interest rate risk on borrowings. Derivatives are initially recognised at fair value, based on quoted market prices, and subsequently remeasured to fair value at the end of each reporting period. Fair value is determined by reference to quoted prices for similar instruments in active markets. Derivatives that do not qualify for hedge accounting are classified as non-hedged and fair value gains or losses are recognised within surplus or deficit.

Recognition of fair value gains or losses on derivatives that qualify for hedge accounting depends on the nature of the item being hedged. Where a derivative is used to hedge variability of cash flows (cash flow hedge), the effective part of any gain or loss is recognised within other comprehensive revenue and expense while the ineffective part is recognised within surplus or deficit. Gains or losses recognised in other comprehensive revenue and expense transfer to surplus or deficit in the same periods as when the hedged item affects the surplus or deficit.

As per the International Swap Dealers' Association (ISDA) master agreements, all swap payments or receipts are settled net.

NOTE 13: RECEIVABLES AND RECOVERABLES

RECEIVABLES AND RECOVERABLES	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current				
Receivables from exchange transactions	11,621	6,611	12,199	7,492
Recoverables from non-exchange transactions	34,519	33,403	35,414	34,964
Non-Current				
Receivables from exchange transactions	4,185	-	4,186	-
TOTAL RECEIVABLES AND RECOVERABLES - NET	50,325	40,014	51,799	42,456

RECEIVABLES FROM EXCHANGE TRANSACTIONS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Trade receivables - debtors - net	5,890	4,878	5,282	5,065
Accrued income	3,131	1,733	3,131	1,733
Sundry receivables	6,785	-	7,970	694
TOTAL RECEIVABLES FROM EXCHANGE TRANSACTIONS - NET	15,806	6,611	16,383	7,492

RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Taxes				
GST recoverable	5,709	6,581	5,622	6,549
Rates recoverable	9,981	10,164	9,981	10,164
Total taxes	15,690	16,745	15,603	16,713
Transfers				
Trade recoverables - debtors - net	7,879	6,373	8,392	8,267
Trade recoverables - fines - net	3,593	3,347	3,593	3,347
Total trade recoverables - net	11,472	9,720	11,985	11,614
Accrued income	5,408	5,197	5,408	5,197
Sundry recoverables	1,949	1,741	2,420	1,440
Total transfers	18,829	16,658	19,813	18,251
TOTAL RECOVERABLES FROM NON-EXCHANGE TRANSACTIONS - NET	34,519	33,403	35,416	34,964

Current trade, rates and sundry receivables and recoverables are non-interest bearing and receipt is generally on 30 day terms, therefore the carrying value approximates their fair value.

RECEIVABLES AND RECOVERABLES	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Receivables and recoverables from related parties				
- Controlled entities	380	936	-	-
- Associates and jointly controlled entity	-	15	-	15
TOTAL RECEIVABLES AND RECOVERABLES FROM RELATED PARTIES	380	951	-	15

The movement in the provision for impairment of total receivables and recoverables is analysed as follows:

PROVISION FOR IMPAIRMENT OF TOTAL RECEIVABLES AND RECOVERABLES	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	6,030	6,542	6,030	6,542
New provisions made	437	452	437	452
Release of unused provision	(166)	(14)	(166)	(14)
Amount of provision utilised	(118)	(950)	(118)	(950)
PROVISION FOR IMPAIRMENT OF TOTAL RECEIVABLES AND RECOVERABLES - CLOSING BALANCE	6,183	6,030	6,183	6,030

The ageing profile of total net receivables and recoverables at the reporting date is as follows:

COUNCIL	2016			2015		
	GROSS \$000	IMPAIRED \$000	NET \$000	GROSS \$000	IMPAIRED \$000	NET \$000
Trade and other receivables and recoverables						
Not past due	31,868	-	31,868	21,864	-	21,864
Past due 0-3 months	9,229	(82)	9,147	8,540	(79)	8,461
Past due 3-6 months	2,538	(38)	2,500	2,859	(47)	2,812
Past due more than 6 months	12,873	(6,063)	6,810	12,781	(5,904)	6,877
TOTAL RECEIVABLES AND RECOVERABLES	56,508	(6,183)	50,325	46,044	(6,030)	40,014

GROUP	2016			2015		
	GROSS \$000	IMPAIRED \$000	NET \$000	GROSS \$000	IMPAIRED \$000	NET \$000
Trade and other receivables and recoverables						
Not past due	33,142	-	33,142	24,203	-	24,203
Past due 0-3 months	9,352	(82)	9,270	8,549	(79)	8,470
Past due 3-6 months	2,567	(38)	2,529	2,894	(47)	2,847
Past due more than 6 months	12,921	(6,063)	6,858	12,840	(5,904)	6,936
TOTAL RECEIVABLES AND RECOVERABLES	57,982	(6,183)	51,799	48,486	(6,030)	42,456

The net receivables and recoverables past due for more than six months primarily relates to fines. Due to their nature, the collection pattern for fines is longer than that of trade debtors.

Relevant significant accounting policies

Receivables from exchange transactions

Receivables from exchange transactions arise when the Council is owed by another entity or individual for goods or services provided directly by Council and will receive approximately equal value in a willing arm's length transaction (primarily in the form of cash in exchange). Examples of exchange transactions include parking services and metered water rates.

Recoverables from non-exchange transactions

Recoverables from non-exchange transactions arise when the Council is owed value from another party without giving approximately equal value directly in exchange for the value received. Most of the goods or services that Council provide are subsidised by rates revenue and therefore the exchange is unequal. Examples of non-exchange transactions include social housing rentals, parking fines and recreational centre activities.

Non-exchange transactions are comprised of either taxes or transfers. Transfers also include grants that do not have specific conditions attached which require return of the grant for non-performance.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

NOTE 14: OTHER FINANCIAL ASSETS

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Represented by:				
Current	315	150	315	150
Non-current	12,865	9,403	14,343	10,851
Total other financial assets	13,180	9,553	14,658	11,001
Comprised of:				
Financial assets at fair value through other comprehensive revenue and expense				
Equity investments:				
- Civic Assurance	766	633	766	633
- NZ Local Government Funding Agency (LGFA)	3,275	1,866	3,275	1,866
- Creative HQ incubator/accelerator shareholdings	-	-	1,427	1,401
Loans and deposits				
Bank deposits - term greater than 3 months	-	-	-	-
LGFA - borrower notes	3,728	2,208	3,728	2,208
Loans to related parties - other organisations	5,096	4,696	5,096	4,696
Loans to external organisations	315	150	366	197
TOTAL OTHER FINANCIAL ASSETS	13,180	9,553	14,658	11,001

Equity investments

Civic Assurance is the trading name of New Zealand Local Government Insurance Corporation Limited, which provides insurance products and other financial services principally to local authorities. The Council holds a 4.78% (2015: 4.78%) shareholding in this entity with no present intention to sell.

The New Zealand Local Government Funding Agency Limited (LGFA), which commenced in December 2011 is an alternative debt provider majority owned by and operated for local authorities. The Council holds an 8% shareholding of the paid-up capital and as a shareholder will benefit from a return on its investment and as a borrower from lower borrowing costs. The LGFA has an AA+ (domestic long term) credit rating from Standard and Poors.

Creative HQ, a controlled entity of WREDA, has small shareholdings in various incubator and accelerator programme companies. These shares are held until the companies mature or cease operations.

Loans

The loans to related parties are concessionary in nature, since the loans have been granted on interest free terms. The movements in the loans are as follows:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Loans to related parties - other organisations				
<i>Wellington Regional Stadium Trust</i>				
<i>(nominal value \$15,394,893)</i>				
Opening balance	21	1,586	21	1,586
Amortisation of fair value adjustment	3	201	3	201
Movement in fair value	-	(1,766)	-	(1,766)
Closing balance at fair value	24	21	24	21
<i>Karori Wildlife Sanctuary Trust</i>				
<i>(nominal value \$10,346,689)</i>				
Opening balance	4,675	4,312	4,675	4,312
Amortisation of fair value adjustment	397	363	397	363
Closing balance at fair value	5,072	4,675	5,072	4,675
Loans to other external organisations				
Opening balance	150	150	197	150
New loan advances	442	-	442	75
Loan repayments received	(9)	-	(9)	-
Loan forgiveness	(118)	-	(118)	-
Loan write-off	(150)	-	(150)	-
Amortisation of fair value adjustment	-	-	4	-
Movement in fair value	-	-	-	(28)
Closing balance at fair value	315	150	366	197
TOTAL LOANS	5,411	4,846	5,462	4,893

The fair value movement on loans reflects the timing of their expected repayments and the interest free nature of the loan. Over the remaining life of the loans their fair value will be amortised back up to their full nominal value.

The amortisation rate applicable to the Wellington Regional Stadium Trust loan is 12.710%. Following notification from the Westpac Stadium Trust in 2015, the expected repayment terms of the loan by the Trust back to the Council was extended to 2070. The fair value of the loan was reduced accordingly.

During the adoption of the 2016/17 Annual Plan the Council agreed to the purchase of the Zealandia visitor centre building. Following this purchase, the Council loan to the Karori Wildlife Sanctuary Trust will be fully repaid. As the arrangement is not binding as at the end of the reporting period no adjustment has been made to the current/non-current classification of the loan.

Loans to other external organisations are generally suspensory loan arrangements associated with economic development grants provided by Council to achieve defined outcomes. The loans are repayable in the event that the economic development outcomes agreed in providing the grant are not delivered. As agreed outcomes for the grants are met the loans are reduced accordingly.

Further information on the related parties is disclosed in Note 36: Related party disclosures.

NOTE 15: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	1,668	1,367	1,668	1,367
Disposals	(949)	(1,041)	(949)	(1,041)
Transfers from property, plant and equipment	1,504	1,668	1,504	1,668
Transfers to property, plant and equipment	(719)	(326)	(719)	(326)
TOTAL NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	1,504	1,668	1,504	1,668

Relevant significant accounting policies

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell at the time of reclassification.

Non-current assets held for sale are separately classified as their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets
- A plan to sell the asset is in place and an active programme to locate a buyer has been initiated
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value
- The sale is expected to occur within one year or beyond one year where a delay has occurred which is caused by events beyond the Group's control and there is sufficient evidence the Group remains committed to sell the asset
- Actions required to complete the sale indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn
- A non-current asset classified as held for sale is recognised at the lower of its carrying amount or fair value less costs to sell. Impairment losses on initial classification are included within surplus or deficit

NOTE 16: INTANGIBLES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Computer software				
Cost - opening balance	49,256	39,849	49,965	40,491
Accumulated amortisation	(39,537)	(32,995)	(40,143)	(33,567)
Computer software opening balance	9,719	6,854	9,822	6,924
Acquired by direct purchase	17,445	6,774	17,476	6,859
Amortisation	(4,479)	(4,337)	(4,535)	(4,380)
Net disposals	-	(39)	-	(48)
Transfer from property, plant and equipment	-	467	-	467
Total computer software - closing balance	22,685	9,719	22,763	9,822
Cost	66,989	49,256	67,730	49,965
Accumulated amortisation	(44,304)	(39,537)	(44,967)	(40,143)
Total computer software - closing balance	22,685	9,719	22,763	9,822
Work in progress				
Computer software	2,261	10,435	2,261	10,435
Total work in progress	2,261	10,435	2,261	10,435
Carbon credits				
Cost - Opening Balance	1,311	575	1,311	575
Additions	672	768	672	768
Net disposals	(192)	(32)	(192)	(32)
Total Carbon credits - closing balance	1,791	1,311	1,791	1,311
TOTAL INTANGIBLES	26,737	21,465	26,815	21,568

Disposals and transfers are reported net of accumulated amortisation.

The decrease in work in progress for computer software reflects the ongoing realisation of Council's commitment to enhancing its technological capabilities across a number of platforms. Council has embarked on replacing its core applications, a new electronic document records management system and a new asset management information system for its infrastructure assets.

Carbon credits

As part of the Emissions Trading Scheme (ETS) the Council received carbon credits from Central Government in recognition of the carbon absorbed by a portion of the Council's green belt. For the year ending 30 June 2016 the Council received 37,954 credits (2015: 74,643). The Council purchased 25,641 credits (2015: 67,874) in the market to cover the expected liabilities associated with landfill operations. During the year 34,078 credits (2015: 32,445) were surrendered to meet the Council's ETS obligations for the 2015 calendar year. At 30 June 2016 the total number of credits held is 357,589 (2015: 328,072).

At 30 June 2016 the liability relating to landfill carbon emissions is \$0.765m (2015: \$0.161m).

Relevant significant accounting policies

Computer software

Acquired computer software is measured on initial recognition at the costs to acquire and bring to use and subsequently less any amortisation and impairment losses.

Typically, the estimated useful lives and amortisation rate range of these assets are as follows:

ASSET CATEGORY	2016	
	USEFUL LIFE (YEARS)	AMORTISATION RATE
Computer software	2 - 10	10 - 50%

Carbon Credits

Carbon credits comprise either allocations of emission allowances granted by the Government related to forestry assets or units purchased in the market to cover liabilities associated with landfill operations. Carbon credits allocated as a non-exchange transaction are initially recognised at fair value, which then becomes the deemed cost. Carbon credits that are purchased are recognised at cost.

Gains and losses arising from disposal of intangible assets are recognised within surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported within surplus or deficit.

NOTE 17: INVESTMENT PROPERTIES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	201,557	192,901	201,557	192,901
Additions by acquisition	1,862	10	1,862	10
Additions by subsequent expenditure	-	-	-	-
Disposals	(5,955)	-	(5,955)	-
Fair value revaluation movements taken to surplus/(deficit)	13,773	8,552	13,773	8,552
Transfer from property, plant and equipment	-	94	-	94
TOTAL INVESTMENT PROPERTIES	211,237	201,557	211,237	201,557

Wellington City Council's investment properties including the waterfront investment properties were valued as at 30 June 2016 by an independent valuer, William Bunt (FNZIV, FPINZ), registered valuer and Director of Valuation Services for CBRE Limited.

The Council's total investment properties comprise ground leases of \$168.753m (2015: \$160.058m) and land and buildings of \$42.215m (2015: \$41.499m) held for investment purposes.

Investment properties are properties which are held primarily to earn rental revenue and/or for capital growth. These properties include the Council's ground leases and certain land and buildings.

Ground leases are parcels of land owned by the Council in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

Investment properties exclude those properties held for strategic purposes or to provide a social service. This includes properties which generate cash inflows as the rental revenue is incidental to the purpose for holding the property. Such properties include the Council's social housing assets, which are held within operational assets in property, plant and equipment.

Relevant significant accounting policies

The basis of valuation varies depending on the nature of the lease. For sites that are subject to a terminating lease the approach is to assess the value of the rental revenue over the remaining term of the lease and add the residual value of the land at lease expiry. For sites subject to perpetually renewable leases values have been assessed utilising a discounted cash flow and arriving at a net present value of all future anticipated gross rental payments.

Borrowing costs incurred during the construction of investment property are not capitalised.

Investment properties are measured initially at cost and subsequently measured at fair value, determined annually by an independent registered valuer. Any gain or loss arising is recognised within surplus or deficit. Investment properties are not depreciated.

NOTE 18: PROPERTY, PLANT AND EQUIPMENT

SUMMARY	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Property, plant and equipment - Opening balance	6,595,900	6,536,012	6,608,226	6,547,197
Additions	166,311	142,128	169,524	142,292
Disposals	(1,515)	(672)	(1,849)	(862)
Depreciation expense	(94,704)	(94,672)	(96,436)	(95,644)
Impairment losses	(133)	(5,072)	(582)	(5,072)
Revaluation movement	(211)	11,168	(211)	11,168
Transfer to non-current assets classified as held for sale	(1,504)	(1,668)	(1,504)	(1,668)
Transfer from non-current assets classified as held for sale	719	326	719	326
Transfer to intangibles	-	(467)	-	(467)
Transfer to investment properties	-	(94)	-	(94)
Movement in work in progress	(18,888)	8,911	(18,400)	10,789
Acquisition of controlled entity	-	-	-	261
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,645,975	6,595,900	6,659,487	6,608,226

Relevant significant accounting policies

Property, plant and equipment consists of operational assets, restricted assets and infrastructure assets.

Operational assets include land, the landfill post-closure asset, buildings, the Civic Centre complex, the library collection, and plant and equipment.

Restricted assets include art and cultural assets, zoo animals, restricted buildings, parks and reserves and the Town Belt. These assets provide a benefit or service to the community and in most cases cannot be disposed of because of legal or other restrictions (for example, land declared as a reserve under the Reserves Act 1977.) The use of the asset may also be restricted such as the donated Basin Reserve land which must be retained for the purposes of providing a cricket and recreation ground with no permitted thoroughfare.

Infrastructure assets include the roading network, water, waste and drainage reticulation networks, service concession arrangement assets and infrastructure land (including land under roads). Each asset type includes all items that are required for the network to function.

Vested assets are those assets where ownership and control is transferred to the Council from a third party (eg infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Vested assets are recognised within their respective asset classes as above.

Heritage assets are tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Council and Group recognises these assets within these financial statements to the extent their value can be reliably measured.

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Property, plant and equipment is recognised initially at cost, unless acquired for nil or nominal cost (eg vested assets), in which case the asset is recognised at fair value at the date of transfer. The initial cost of property, plant and equipment includes the purchase consideration (or the fair value in the case of vested assets), and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential is capitalised.

Borrowing costs incurred during the construction of property, plant and equipment are not capitalised.

After initial recognition, certain classes of property, plant and equipment are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost.

Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement with an efficient modern equivalent making allowance for obsolescence or surplus capacity. The remaining life of the asset is estimated and straight line depreciation applied to bring the replacement cost to a fair value.

Specific measurement policies for categories of property, plant and equipment are shown below:

Library Collections

Library collections are valued at depreciated replacement cost on a 3-year cycle by the Council's library staff in accordance with guidelines outlined in *Valuation Guidance for Cultural and Heritage Assets*, published by the Treasury Accounting Team, November 2002.

Operational Land & Buildings

Operational land and buildings are valued at fair value on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Where the information is available land and buildings are valued based on market evidence. The majority of Councils land and buildings are of a 'non-tradeable' or specialist nature and the value is based on the fair value of the land plus the optimised depreciated replacement cost of the buildings.

For earthquake prone buildings that are expected to be strengthened, the estimated cost to strengthen the building has been deducted from the optimised depreciated replacement cost.

Buildings that comprise the Social Housing portfolio have been valued on market based approach with the associated land value being established through analysis of sales and market evidence.

Restricted assets

Art and cultural assets (artworks, sculptures and statues) are valued at historical cost. Zoo animals are stated at estimated replacement cost. All other restricted assets (buildings, parks and reserves and the Town Belt) were valued at fair value as at 30 June 2005 by independent registered valuers. The Council has elected to use the fair value of other restricted assets at 30 June 2005 as the deemed cost of the assets. These assets are no longer revalued. Subsequent additions have been recorded at cost.

Infrastructure assets

Infrastructure assets (the roading network, water, waste and drainage reticulation networks and service concession arrangement assets) are valued at optimised depreciated replacement cost on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers. Infrastructure valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its assets management plans. The costs are based on current quotes from actual suppliers. As such, they include ancillary costs such as breaking through seal, traffic control and rehabilitation. Between valuations, expenditure on asset improvements is capitalised at cost.

Infrastructure land (excluding land under roads) is valued on a regular basis or, whenever the carrying amount differs materially to fair value, by independent registered valuers.

Land under roads, which represents the corridor of land directly under and adjacent to the Council's roading network, was valued as at 30 June 2005 at the average value of surrounding adjacent land discounted by 50% to reflect its restricted nature. The Council elected to use the fair value of land under roads at 30 June 2005 as the deemed cost of the asset. Land under roads is no longer revalued. Subsequent additions have been recorded at cost.

The carrying values of revalued property, plant and equipment are reviewed at the end of each reporting period to ensure that those values are not materially different to fair value.

Other Assets

Plant and equipment and the Civic Centre complex are measured at historical cost and not revalued.

Impairment

The Council's assets are defined as cash generating if the primary purpose of the asset is to provide a commercial return. Non-cash generating assets are assets other than cash generating assets. Property, plant and equipment assets, measured at fair value, are not required to be reviewed and tested for impairment.

The carrying amounts of cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable amount is less than its carrying amount it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

The carrying amounts of non-cash generating property, plant and equipment assets are reviewed at least annually to determine if there is any indication of impairment. Where an asset's, or class of assets', recoverable service amount is less than its carrying amount it will be reported at its recoverable service amount and an impairment loss will be recognised. The recoverable service amount is the higher of an item's fair value less costs to sell and value in use. A non-cash generating asset's value in use is the present value of the asset's remaining service potential. Losses resulting from impairment are reported within surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are recognised within surplus or deficit in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

The movements according to the individual classes of assets are as follows:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Operational assets				
Land				
Land - at cost - opening balance	-	-	-	-
Land - at valuation - opening balance	222,908	213,082	222,908	213,082
Total land - opening balance	222,908	213,082	222,908	213,082
Additions	21,741	1,322	21,741	1,322
Disposals	(1)	-	(1)	-
Revaluation movement	-	10,837	-	10,837
Transfer between asset classes	-	(1,680)	-	(1,680)
Transfer to non-current assets classified as held for sale	-	(559)	-	(559)
Transfer to investment property	-	(94)	-	(94)
Total land - closing balance	244,648	222,908	244,648	222,908
Land - at cost - closing balance	21,741	-	21,741	-
Land - at valuation - closing balance	222,907	222,908	222,907	222,908
Total land - closing balance	244,648	222,908	244,648	222,908
Buildings				
Buildings - at cost - opening balance	-	69,409	-	69,409
Buildings - at valuation - opening balance	556,025	539,236	556,025	539,236
Total cost/valuation	556,025	608,645	556,025	608,645
Accumulated depreciation	-	(33,854)	-	(33,854)
Total buildings - opening balance	556,025	574,791	556,025	574,791
Additions	26,380	66,705	26,380	66,705
Depreciation expense	(20,348)	(22,435)	(20,348)	(22,435)
Disposals	(1,017)	(16)	(1,017)	(16)
Revaluation adjustment	(211)	331	(211)	331
Transfer between asset classes	1,680	(63,351)	1,680	(63,351)
Total buildings - closing balance	562,509	556,025	562,509	556,025
Buildings - at cost - closing balance	25,906	-	25,906	-
Buildings - at valuation - closing balance	556,802	556,025	556,802	556,025
Total cost/valuation	582,708	556,025	582,708	556,025
Accumulated depreciation	(20,199)	-	(20,199)	-
Total buildings - closing balance	562,509	556,025	562,509	556,025

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Landfill post closure costs ¹				
Landfill post closure - at cost - opening balance	3,040	3,643	3,040	3,643
Accumulated depreciation	(2,437)	(2,301)	(2,437)	(2,301)
Total landfill post closure costs - opening balance	603	1,342	603	1,342
Depreciation expense	(145)	(136)	(145)	(136)
Transfer between asset classes	-	1	-	1
Movement in post closure costs	474	(604)	474	(604)
Total landfill post closure costs - closing balance	932	603	932	603
Landfill post closure - at cost - closing balance	3,265	3,040	3,265	3,040
Accumulated depreciation	(2,333)	(2,437)	(2,333)	(2,437)
Total landfill post closure costs - closing balance	932	603	932	603
Civic Centre complex				
Civic Centre complex - at cost - opening balance	176,562	173,817	176,562	173,817
Accumulated depreciation	(60,954)	(58,165)	(60,954)	(58,165)
Total Civic Centre complex - opening balance	115,608	115,652	115,608	115,652
Additions	2,387	7,239	2,387	7,239
Depreciation expense	(2,739)	(2,793)	(2,739)	(2,793)
Impairment	-	(4,513)	-	(4,513)
Transfer between asset classes	(1,680)	23	(1,680)	23
Transfer to non-current assets classified as held for sale	(1,054)	-	(1,054)	-
Total Civic Centre complex- closing balance	112,522	115,608	112,522	115,608
Civic Centre complex - at cost - closing balance	173,965	176,562	173,965	176,562
Accumulated depreciation	(61,443)	(60,954)	(61,443)	(60,954)
Total Civic Centre complex- closing balance	112,522	115,608	112,522	115,608
Plant and equipment				
Plant and equipment - at cost - opening balance	213,057	166,755	225,843	179,310
Accumulated depreciation	(92,456)	(84,860)	(99,817)	(91,250)
Total plant and equipment - opening balance	120,601	81,895	126,026	88,060
Additions	7,049	6,865	10,262	7,026
Depreciation expense	(11,890)	(11,712)	(13,622)	(12,684)
Disposals	(239)	(352)	(573)	(542)
Impairment	(133)	-	(582)	-
Transfer between asset classes	-	44,372	-	44,372
Transfer to intangibles	-	(467)	-	(467)
Acquisition of controlled entity	-	-	-	261
Total plant and equipment - closing balance	115,388	120,601	121,511	126,026
Plant and equipment - at cost	216,102	213,057	231,319	225,843
Accumulated depreciation	(100,714)	(92,456)	(109,808)	(99,817)
Total plant and equipment - closing balance	115,388	120,601	121,511	126,026

1. The Council's share of the joint venture with Porirua City Council relating to the Spicer Valley Landfill is included in this asset class.

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Library collections				
Library collections - at cost - opening balance	1,664	-	1,664	-
Library collections - at valuation - opening balance	14,817	14,812	14,817	14,812
Total cost/valuation	16,481	14,812	16,481	14,812
Accumulated depreciation	(2,096)	-	(2,096)	-
Total library collections - opening balance	14,385	14,812	14,385	14,812
Additions	1,887	1,665	1,887	1,665
Depreciation expense	(2,165)	(2,092)	(2,165)	(2,092)
Total library collections - closing balance	14,107	14,385	14,107	14,385
Library collections - at cost - closing balance	3,545	1,664	3,545	1,664
Library collections - at valuation - closing balance	14,818	14,817	14,818	14,817
Total cost/valuation	18,363	16,481	18,363	16,481
Accumulated depreciation	(4,256)	(2,096)	(4,256)	(2,096)
Total library collections - closing balance	14,107	14,385	14,107	14,385
TOTAL OPERATIONAL ASSETS	1,050,106	1,030,130	1,056,229	1,035,555
Infrastructure assets				
Drainage, waste and water				
Drainage, waste and water - at cost - opening balance	25,215	-	25,215	-
Drainage, waste and water - at valuation - opening balance	1,196,804	1,177,524	1,196,804	1,177,524
Total cost/valuation	1,222,019	1,177,524	1,222,019	1,177,524
Accumulated depreciation	(26,877)	-	(26,877)	-
Total drainage, water and waste - opening balance	1,195,142	1,177,524	1,195,142	1,177,524
Additions	39,538	25,235	39,538	25,235
Depreciation expense	(27,586)	(27,248)	(27,586)	(27,248)
Transfer between asset classes	(4)	19,631	(4)	19,631
Total drainage, water and waste - closing balance	1,207,090	1,195,142	1,207,090	1,195,142
Drainage, waste and water - at cost - closing balance	63,847	25,215	63,847	25,215
Drainage, waste and water - at valuation - closing balance	1,197,319	1,196,804	1,197,319	1,196,804
Total cost/valuation	1,261,166	1,222,019	1,261,166	1,222,019
Accumulated depreciation	(54,076)	(26,877)	(54,076)	(26,877)
Total drainage, water and waste - closing balance	1,207,090	1,195,142	1,207,090	1,195,142
Roading				
Roading - at cost - opening balance	29,927	-	29,927	-
Roading - at valuation - opening balance	824,103	824,096	826,703	826,696
Total cost/valuation	854,030	824,096	856,630	826,696
Accumulated depreciation	(21,857)	-	(21,857)	-
Total roading - opening balance	832,173	824,096	834,773	826,696
Additions	58,732	29,927	58,732	29,927
Depreciation expense	(23,341)	(21,857)	(23,341)	(21,857)
Transfer between asset classes	537	7	537	7
Total roading - closing balance	868,101	832,173	870,701	834,773

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Roadings - at cost - closing balance	88,659	29,927	88,659	29,927
Roadings - at valuation - closing balance	824,639	824,103	827,239	826,703
Total cost/valuation	913,298	854,030	915,898	856,630
Accumulated depreciation	(45,197)	(21,857)	(45,197)	(21,857)
Total roadings - closing balance	868,101	832,173	870,701	834,773
Service concession assets				
Service concession assets - at cost - opening balance	-	-	-	-
Service concession assets - at valuation - opening balance	154,767	154,767	154,767	154,767
Total cost/valuation	154,767	154,767	154,767	154,767
Accumulated depreciation	(4,969)	-	(4,969)	-
Total service concession assets - opening balance	149,798	154,767	149,798	154,767
Depreciation expense	(4,969)	(4,969)	(4,969)	(4,969)
Total service concession assets - closing balance	144,829	149,798	144,829	149,798
Service concession assets - at cost - closing balance	-	-	-	-
Service concession assets - at valuation - closing balance	154,767	154,767	154,767	154,767
Total cost/valuation	154,767	154,767	154,767	154,767
Accumulated depreciation	(9,938)	(4,969)	(9,938)	(4,969)
Total service concession assets - closing balance	144,829	149,798	144,829	149,798
Infrastructure land				
Infrastructure land - at cost - opening balance	192	-	192	-
Infrastructure land - at valuation - opening balance	35,818	38,007	35,818	38,007
Total infrastructure land - opening balance	36,010	38,007	36,010	38,007
Additions	3,208	512	3,208	512
Transfer between asset classes	-	(2,189)	-	(2,189)
Transfer from non-current assets classified as held for sale	320	-	320	-
Transfer to non-current assets classified as held for sale	-	(320)	-	(320)
Total infrastructure land - closing balance	39,538	36,010	39,538	36,010
Infrastructure land - at cost - closing balance	3,720	192	3,720	192
Infrastructure land - at valuation - closing balance	35,818	35,818	35,818	35,818
Total infrastructure land - closing balance	39,538	36,010	39,538	36,010
Land under roads				
Land under roads - at cost - opening balance	2,950,197	2,947,969	2,950,197	2,947,969
Additions	224	891	224	891
Disposals	(258)	(304)	(258)	(304)
Transfer between asset classes	-	2,389	-	2,389
Transfer from non-current assets classified as held for sale	358	-	358	-
Transfer to non-current assets classified as held for sale	(377)	(748)	(377)	(748)
Land under roads - closing balance	2,950,144	2,950,197	2,950,144	2,950,197
TOTAL INFRASTRUCTURE ASSETS	5,209,702	5,163,320	5,212,302	5,165,920

Disposals and transfers are reported net of accumulated depreciation.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Restricted assets ²				
Art and cultural assets				
Art and cultural assets - at cost - opening balance	8,927	8,927	11,266	11,263
Additions	21	-	21	3
Transfer between asset classes	(281)	-	(281)	-
Art and cultural assets - closing balance	8,667	8,927	11,006	11,266
Restricted buildings				
Restricted buildings - at cost - opening balance	36,627	35,470	36,627	35,470
Accumulated depreciation	(9,497)	(8,095)	(9,497)	(8,095)
Total restricted buildings - opening balance	27,130	27,375	27,130	27,375
Additions	4,386	1,507	4,386	1,507
Depreciation expense	(1,521)	(1,430)	(1,521)	(1,430)
Impairment	-	(559)	-	(559)
Transfer between asset classes	-	237	-	237
Restricted buildings - closing balance	29,995	27,130	29,995	27,130
Restricted buildings - at cost - closing balance	40,865	36,627	40,865	36,627
Accumulated depreciation	(10,870)	(9,497)	(10,870)	(9,497)
Total restricted buildings - closing balance	29,995	27,130	29,995	27,130
Parks and reserves				
Parks and reserves - at cost - opening balance	211,888	210,179	211,888	210,179
Additions	284	864	284	864
Transfer between asset classes	(252)	560	(252)	560
Transfer from non-current assets classified as held for sale	41	326	41	326
Transfer to non-current assets classified as held for sale	(73)	(41)	(73)	(41)
Parks and reserves - closing balance	211,888	211,888	211,888	211,888
Town Belt - at cost	84,544	84,544	84,544	84,544
Zoo animals - at cost	500	500	500	500
TOTAL RESTRICTED ASSETS	335,594	332,989	337,933	335,328
Work in progress				
Land	143	53	143	53
Buildings	23,569	22,698	23,569	22,698
Civic Centre complex	4,639	4,368	4,639	4,368
Plant and equipment	10,238	8,142	12,688	10,104
Library	474	390	474	390
Drainage, waste and water	5,038	3,838	5,038	3,838
Roading	6,173	28,745	6,173	28,745
Art and cultural	181	180	181	180
Restricted buildings	118	1,047	118	1,047
TOTAL WORK IN PROGRESS	50,573	69,461	53,023	71,423
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,645,975	6,595,900	6,659,487	6,608,226

2. For restricted assets, valuation at cost means they are not subject to revaluation. Please refer to the significant accounting policies above for a more detailed explanation.

Disposals and transfers are reported net of accumulated depreciation.

Revaluation of property, plant and equipment

The Council's operational land and buildings were valued as at 30 June 2015, and infrastructural land as at 30 June 2014 by William Bunt (FNZIV, FPINZI), registered valuer and Director of Valuation Services for CBRE Limited.

Library collections were valued as at 30 June 2014 by the Council's library staff. The revaluation was carried out in accordance with guidelines outlined in Valuation Guidance for Cultural and Heritage Assets published by the Treasury Accounting Team, November 2002. An independent peer review was conducted by Michaela O'Donovan, Manager Service Design and Implementation, National Library of New Zealand.

The drainage, waste and water infrastructure and roading networks and the service concession assets were valued as at 30 June 2014 by John Vessey (MIPENZ), Partner of Opus International Consultants Limited.

Assets are valued at regular intervals by independent registered valuers or whenever the carrying amount differs materially to fair value. In the years which an asset class is not revalued, the Group assesses whether there has been any material change in the value of that asset class. The movement in asset values between 30 June 2014 and 30 June 2016 for the infrastructure assets were assessed using appropriate indices. The increase in asset value of 1.7% was not considered material by management and accordingly the assets were not revalued at 30 June 2016.

Further information on revaluation reserves and movements is contained in Note 27: Revaluation reserves.

Finance leases

The net carrying amount of plant and equipment assets held by the Council under finance leases is \$0.216m (2015: \$0.286m).

Significant acquisitions and replacements of assets

In accordance with the provisions of Schedule 10 of the Local Government Act 2002, information in respect of significant acquisitions and replacements of assets is reported within the Statements of Service Provision.

Core Assets

Included within the infrastructure assets above are the following core Council assets:

COUNCIL	2016			
	CLOSING BOOK VALUE	ADDITIONS		REPLACEMENT COST
		CONSTRUCTED	VESTED	
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	535,184	15,033	1,644	945,331
Sewerage				
- treatment plants and facilities	166,979	-	-	222,587
- other assets	315,259	10,852	1,296	774,822
Stormwater drainage	390,251	4,867	3,042	654,926
Flood protection and control works	-	-	-	-
Roads and footpaths	624,743	34,444	502	850,940
TOTAL CORE ASSETS	2,032,416	65,196	6,484	3,448,606

COUNCIL	2015			
	CLOSING BOOK VALUE	ADDITIONS		REPLACEMENT COST
		CONSTRUCTED	VESTED	
	\$000	\$000	\$000	\$000
Water supply				
- treatment plants and facilities	-	-	-	-
- other assets	529,724	13,265	933	939,317
Sewerage				
- treatment plants and facilities	166,095	-	-	221,739
- other assets	318,492	7,959	332	768,062
Stormwater drainage	329,221	4,821	818	650,194
Flood protection and control works	-	-	-	-
Roads and footpaths	609,293	41,389	986	830,123
TOTAL CORE ASSETS	1,952,825	67,434	3,069	3,409,436

Water and roads assets are not on the valuation cycle this year. Therefore their replacement costs are based on the optimised replacement costs estimate figures in the valuation for the 2013/14 year measured against an appropriate index to get an indication of potential value changes. These indicators are the same as those used for Council's Long-term plan (LTP). The Infrastructure indicators used are sourced from Business and Economic Research Limited (BERL) titled "Forecasts of Price Level Change Adjustors".

The core value of roads and footpaths shown above excludes the value of retaining walls, street lighting, sumps and leads and other related assets totalling \$243.4m (2015: \$222.8m) that are included in the value of roading assets under infrastructure assets as disclosed above.

Service concession arrangements

The service concession arrangement asset class consists of the Moa Point, Western (Karori) and Carey's Gully waste water treatment plants which are owned by the Council but operated by Veolia Water under agreement. The assets are valued consistently with waste infrastructure network assets.

The Moa Point sewerage treatment plant is owned by the Council and operated by Veolia Water under a design, build and operate contract. Veolia Water also operates the Council owned Western (Karori) and Carey's Gully treatment plants. The plants and building assets are included in the service concession arrangement assets above.

Veolia Water is required to fund all renewals and repairs and return the plants to the Council in 2020 with a future life expectancy of at least 25 years.

As asset owner, the Council incurs all associated operating expenses, namely management fees, depreciation and finance costs. In accordance with section 100 of the Local Government Act 2002, the Council does not fully fund the plant's depreciation expenditure.

Veolia's monthly management fee is determined in accordance with annually adjusted tariffs. The contract terminates either on the expiry of the 25 year term (2020) or on the occurrence of a contract default event by either party. The contract's right of renewal resides with the Council.

Insurance of assets

	COUNCIL	
	2016 \$000	2015 \$000
Total value of property, plant and equipment	6,645,975	6,595,900
less assets (primarily land) excluded from insurance contracts	(3,581,335)	(3,505,600)
Value of assets covered by insurance contracts	3,064,640	3,090,300
The maximum amount to which assets are insured under Council insurance policies	895,000	820,000

In addition to Council's insurance, in the event of natural disaster it is assumed that Central Government will contribute 60% towards the restoration of Council owned underground drainage, waste and water assets and the NZTA will contribute between 44-54% towards the restoration of roading assets.

The Council is not covered by any financial risk sharing arrangements in relation to its assets.

An insurance reserve fund of \$9.566m (2015: \$8.727m) exists to meet the cost of claims that fall below deductible limits under Council insurance policies. The reserve is funded annually through rates by \$1.500m (2015: \$0.750m). The net cost of claims applied to the reserve during the year amounted to \$0.661m (2015: \$1.632m). Refer to Note 30: Restricted Funds (page 207) for more information on the reserve.

NOTE 19: INVESTMENT IN CONTROLLED ENTITIES

The cost of the Council's investment in controlled entities is reflected in the Council's financial statements as follows:

INVESTMENT IN CONTROLLED ENTITIES	2016 \$000	2015 \$000
Wellington Cable Car Limited	3,809	3,809
Wellington Regional Economic Development Agency Limited (WREDA)	1,262	1,262
TOTAL INVESTMENT IN CONTROLLED ENTITIES	5,071	5,071

The equity investment represents the cost of the investment to the Council and includes all capital contributions made by the Council to controlled entities. The Council has only made equity investments as shareholders as noted in the table above. Nominal settlement amounts (i.e. \$100) made in respect of Trusts, for which Council is the settlor, have not been recognised due to their materiality or are considered as equity investments.

Information on inter-company transactions is included in the Note 36: Related party disclosures (page 225).

The following entities are controlled entities of Council:

CONTROLLED ENTITIES	ACCOUNTING INTEREST 2016	ACCOUNTING INTEREST 2015	NATURE OF BUSINESS
Positively Wellington Tourism (Partnership Wellington Trust Inc.)	100%	100%	The operations have been transferred to WREDA - (see below) while the Trust is being wound up
Wellington Waterfront Limited	100%	100%	Acts as bare trustee for the Waterfront project
Wellington Cable Car Limited	100%	100%	Owns and manages the trolley bus overhead wiring system and the Cable Car
Wellington Museums Trust	100%	100%	Administers the Cable Car Museum, Capital E, the City Gallery, the Colonial Cottage Museum, the Carter Observatory, the Museum of Wellington City and Sea and the NZ Cricket Museum
Wellington Regional Economic Development Agency Limited (WREDA)	80%	80%	Manages the Wellington Venues Project and creates economic and social benefit by marketing the city with the private sector as a tourism destination. As at 30 June 2016 Grow Wellington (formerly a controlled entity of WREDA) was fully amalgamated into the operations of WREDA
- Creative HQ Limited	80%	80%	Business incubators
Wellington Zoo Trust	100%	100%	Manages and guides the future direction of the Wellington Zoo

The reporting period end date for all controlled entities is 30 June. Full copies of their financial statements can be obtained directly from their offices. Further information on the structure, objectives, the nature and scope of activities, and the performance measures and targets of the entities can be found in the relevant sections of the Statements of Service Provision.

NOTE 20: INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY

The cost of the Council's investment in associates and a jointly controlled entity is reflected in the Council financial statements as follows:

INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY	COUNCIL	
	2016 \$000	2015 \$000
Chaffers Marina Holdings Limited	1,290	1,290
Wellington International Airport Limited	17,775	17,775
Wellington Water Limited	400	400
TOTAL INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY	19,465	19,465

The Council has a significant interest in the following:

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES	ACCOUNTING INTEREST 2016	ACCOUNTING INTEREST 2015	NATURE OF BUSINESS
Basin Reserve Trust	0% (see below)	0%	Manages, operates and maintains the Basin Reserve
Chaffers Marina Holdings Limited	10.52%	10.52%	Holding company for Chaffers Marina Limited
- Chaffers Marina Limited	10.52%	10.52%	Owns and manages the marina
Wellington International Airport Limited	34%	34%	Owns and manages Wellington International Airport facilities and services
Wellington Regional Stadium Trust	0% (see below)	0%	Owns and manages the Westpac Stadium
Wellington Water Limited (previously Capacity Infrastructure Services Limited)	42.11%	42.11%	Manages all water services for Wellington, Lower Hutt, Upper Hutt and Porirua City Councils and Greater Wellington Regional Council

Full copies of the separately prepared financial statements can be obtained directly from their respective offices.

Associates

Basin Reserve Trust

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI), Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust.

The Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements.

Chaffers Marina

Chaffers Marina Holdings Limited and Chaffers Marina Limited have a reporting period end date of 30 June. The shares in Chaffers Marina Holdings Limited are held by Wellington Waterfront Limited in a fiduciary capacity. As at 30 June 2016 Council held a 10.52% interest in Chaffers Marina Holdings Limited (2015:10.52%) which has been recognised in the Group financial statements on an equity accounting basis reflecting the special rights (as set out in Chaffers Marina Limited's Constitution) which attach to the golden share that it holds in Chaffers Marina Limited.

Wellington International Airport Limited

Wellington International Airport Limited has a reporting period end date of 31 March. The ultimate majority owner, Infratil Limited, has determined a different end of reporting period to Council, which is legislatively required to use 30 June. The Council owns 34% of the company, with the remaining 66% owned by NZ Airports Limited (which is wholly owned by Infratil Limited).

Wellington Regional Stadium Trust

Wellington Regional Stadium Trust was jointly created with Greater Wellington Regional Council and Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust.

The Council no longer considers the Trust meets the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is no longer appropriate to include the Trust in the Group financial statements.

Jointly controlled entity

Wellington Water Limited

Formerly trading as Capacity (Capacity Infrastructure Services Limited) and jointly created with Hutt City Council on 9 July 2003 the company has expanded its operations and ownership to include Upper Hutt and Porirua City Councils from 1 November 2013 and Greater Wellington Regional Council from 16 September 2014.

The company has a reporting period ending 30 June and has a dual share structure comprising A class shares (voting rights) and B Class shares (financial entitlements). The structure is as follows:

	CLASS A SHARES (VOTING RIGHTS)	CLASS B SHARES (FINANCIAL ENTITLEMENTS)	OWNERSHIP INTEREST
Wellington City Council	150	200	42%
Hutt City Council	150	100	21%
Upper Hutt City Council	150	40	8%
Porirua City Council	150	60	13%
Greater Wellington Regional Council	150	75	16%
TOTAL SHARES ON ISSUE	750	475	100%

The Class A shares represent voting rights and are split evenly between the five Councils. The Class B shares confer the level of contributions and ownership benefits of each council. Council classifies this entity as jointly controlled because of the equal sharing of voting rights conferred through the Class A shares and the shareholder's agreement, which constitutes a binding arrangement.

Wellington City Council chooses to use equity accounting to recognise its 42.11% ownership interest as determined by the proportionate value of Class B shares held.

Summary of Financial Position and Performance of associates and jointly controlled entity

The Council's share of the assets, liabilities, revenues and surpluses or deficits of its associates and jointly controlled entity are as follows:

	ASSETS 2016 \$000	LIABILITIES 2016 \$000	REVENUES 2016 \$000	SURPLUS/(DEFICIT) 2016 \$000
Associates				
Chaffers Marina Holdings Limited	626	171	105	(36)
Wellington International Airport Limited	326,110	153,852	38,593	12,805
Jointly controlled entity				
Wellington Water Limited	4,248	3,438	19,499	42

	ASSETS 2015 \$000	LIABILITIES 2015 \$000	REVENUES 2015 \$000	SURPLUS/(DEFICIT) 2015 \$000
Associates				
Chaffers Marina Holdings Limited	626	135	77	4
Wellington International Airport Limited	286,111	137,154	36,825	11,188
Jointly controlled entity				
Wellington Water Limited	3,898	3,130	10,943	420

Value of the investments

The investment in associates and the jointly controlled entity in the Group financial statements represents the Council's share of the net assets of the associates and the jointly controlled entity. This is reflected in the Group financial statements as follows:

INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY	GROUP	
	2016 \$000	2015 \$000
Chaffers Marina Holdings Limited		
Opening balance	939	959
Change in shares during the year	-	(39)
Change in equity due to changed shareholding	-	15
Equity accounted earnings of associate	(36)	4
Closing balance - investment in Chaffers Marina Holdings Limited	903	939
Wellington International Airport Limited		
Opening balance	135,960	133,860
Dividends	(12,059)	(12,950)
Equity accounted earnings of associate	12,805	11,188
Share of net revaluation of property, plant and equipment - movement	-	3,862
Closing balance - investment in Wellington International Airport Limited	136,706	135,960
Wellington Water Limited		
Opening balance	768	336
Change in equity due to changed shareholding	-	12
Equity accounted earnings of jointly controlled entity	42	420
Closing balance - investment in Wellington Water Limited	810	768
TOTAL INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITY	138,419	137,666

The Council's share of the operating surplus or deficit results of the Chaffers Marina Holdings Limited, Wellington International Airport Limited and Wellington Water Limited is outlined in Note 9: Share of Associates' and Jointly Controlled Entity's surplus or deficit (page 158).

NOTE 21: EXCHANGE TRANSACTION, TAXES AND TRANSFERS PAYABLE

EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current				
Payables under exchange transactions	42,627	45,429	45,703	49,922
Taxes and transfers payable	10,647	12,635	11,299	12,817
Non-current				
Payables under exchange transactions	630	630	630	630
TOTAL EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE	53,904	58,694	57,632	63,369

Comprised of:

PAYABLES UNDER EXCHANGE TRANSACTIONS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Exchange payables and accruals	36,712	39,358	39,782	43,663
Interest payable	3,059	2,951	3,059	2,951
Sundry payables	3,486	3,750	3,492	3,938
Total payables under exchange transaction	43,257	46,059	46,333	50,552

TAXES AND TRANSFERS PAYABLE	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Taxes payable				
GWRC rates	1,861	2,315	1,861	2,315
Other	991	1,144	1,207	1,312
Transfers payable				
Creditors and accruals	3,674	4,797	4,076	4,797
Sundry payables	4,121	4,379	4,155	4,393
Total taxes and transfers payable	10,647	12,635	11,299	12,817

EXCHANGE TRANSACTIONS, TAXES AND TRANSFERS PAYABLE TO RELATED PARTIES	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Controlled entities	1,515	1,455	-	-
Associates and jointly controlled entity	2,078	295	2,078	295
Total exchange transactions, taxes and transfers payable to related parties	3,593	1,750	2,078	295

Payables under exchange transactions, taxes and transfers payable are non-interest bearing and are normally settled on terms varying between seven days and the 20th of the month following the invoice date. Most of Council's payables are exchange transactions as they are directly with another party on an arm's length basis and are of approximately equal value. Non-exchange payables are classified as either taxes (eg. PAYE) or transfers payable (eg. Council grants).

NOTE 22: REVENUE IN ADVANCE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Exchange transactions				
Lease rentals	3,416	3,605	3,416	3,605
Other	-	-	366	-
Taxes				
Rates	1,350	876	1,350	876
Transfers				
Wellington Venues operations	1,256	1,325	1,256	1,325
Inspection and licensing fees	3,393	2,909	3,393	2,909
Other	1,042	1,348	1,818	2,149
Liabilities recognised under conditional transfer agreements	32,641	19,230	33,594	21,927
TOTAL REVENUE IN ADVANCE	43,098	29,293	45,193	32,791

Relevant significant accounting policies

Liabilities recognised under conditional transfer agreements

Council and the Group have received non-exchange transfer monies for specific purposes, which apply to periods beyond the current year, with conditions that would require the return of the monies if they are not able to fulfil the agreement. The revenue from these agreements will only be recognised as the conditionals are fulfilled over time.

The primary liability recognised as being under a conditional transfer agreement is \$28.474m relating to the capital grant received from the Crown for the housing upgrade project (2015: \$14.463m).

NOTE 23: BORROWINGS

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets that are approved through the Annual Plan and LTP processes.

Gross Borrowings

The gross borrowings are comprised as follows:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current				
Bank facilities - short term - committed	-	2,000	-	2,000
Bank loans - term	22	5	22	5
Commercial paper	100,000	72,000	100,000	72,000
Debt securities - fixed rate bonds	-	5,000	-	5,000
Debt securities - floating rate notes	40,000	85,000	40,000	85,000
Finance leases	53	99	53	102
Total current	140,075	164,104	140,075	164,107
Non-current				
Bank loans - term	3,907	3,069	3,907	3,069
Debt securities - fixed rate bonds	20,000	20,000	20,000	20,000
Debt securities - floating rate notes	326,500	246,500	326,500	246,500
Finance leases	2	55	2	55
Total non-current	350,409	269,624	350,409	269,624
TOTAL GROSS BORROWINGS	490,484	433,728	490,484	433,731

Net Borrowings

When the cash position of Council and the Group is taken into account the net borrowings position is comprised as follows:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Total gross borrowings	490,484	433,728	490,484	433,731
Less				
Cash and cash equivalents (see Note 11)	(94,009)	(65,913)	(103,623)	(75,598)
TOTAL NET BORROWINGS	396,475	367,815	386,861	358,133

The Council's borrowing strategy is to minimise liquidity risk by avoiding concentration of debt maturity dates and to ensure there is long term access to funds. Further information on the liquidity and market risks associated with borrowings is contained in Note 32: Financial instruments (page 212).

The following table shows the utilisation of the borrowing facilities available to the Group at the end of the reporting period. The table also indicates the current applicable maturity and interest rate ranges.

GROUP	AVAILABLE \$000	UTILISED \$000	MATURITIES	RATES %
Bank overdraft - committed	1,500	-	-	-
Bank facilities - short term - uncommitted	5,000	-	-	-
Bank facilities - long term - committed	120,000	-	-	-
Bank loans - term	3,929	3,929	2016 - 2041	7.00
Commercial paper	100,000	100,000	2016	2.37 - 2.46
Debt securities - fixed rate bonds	20,000	20,000	2016 - 2023	4.06 - 5.48
Debt securities - floating rate notes	366,500	366,500	2016 - 2027	2.48 - 3.83
Finance leases	55	55	2017	10.22
Total	616,984	490,484		

Security

Borrowings are secured by way of a Debenture Trust Deed over the Council's rates revenue.

Internal Borrowings

Council borrows on a consolidated level and as such does not use internal borrowing and therefore does not prepare internal borrowing statements.

Ring fenced funds

The Council holds \$62.906m (2015: \$40.356m) of funds that may only be used for a specified purpose. These funds are not held in cash but are utilised against borrowings until required. The specified uses for these funds are as follows:

Housing upgrade project

As part of the agreement with the Crown for the Housing Upgrade Project an amount of \$57.578m (2015: \$36.460m), representing any as yet unused grant funding from the Crown plus the accumulated surpluses and deficits from the Housing activity, has been ring fenced for future investment in the Council's social housing assets.

Waste reduction and energy

An amount of \$5.328m (2015: \$3.896m) related to accumulated surpluses and deficits from the Waste Reduction and Energy Conservation activity which, under the Waste Minimisation Act 2008, must be ring fenced for future investment in waste activities. Council is committed to a number of waste minimisation projects that will utilise these funds.

NOTE 24: EMPLOYEE BENEFITS AND LIABILITIES PROVISION

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current				
Short-term benefits				
Payroll accruals	1,878	1,166	2,267	1,455
Holiday leave	5,256	5,028	6,385	5,900
Total short-term benefits	7,134	6,194	8,652	7,355
Termination benefits				
Other contractual provisions	55	112	55	112
Total termination benefits	55	112	55	112
Total current	7,189	6,306	8,707	7,467
Non-current				
Long-term benefits				
Long service leave provision	-	-	49	49
Retirement gratuities provision	995	1,096	1,007	1,108
Total long-term benefits	995	1,096	1,056	1,157
TOTAL EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS	8,184	7,402	9,763	8,624

Relevant significant accounting policies - general

A provision for employee benefit liabilities (holiday leave, long service leave and retirement gratuities) is recognised as a liability when benefits are earned but not paid.

Holiday leave

Holiday leave includes: annual leave, long service leave, statutory time off in lieu and ordinary time off in lieu. Annual leave is calculated on an actual entitlement basis in accordance with section 21(2) of the Holidays Act 2003.

Movements in material employee benefit provisions above are analysed as follows:

RETIREMENT GRATUITIES PROVISION	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	1,096	1,207	1,108	1,219
Movement in required provision	(32)	(19)	(32)	(19)
Release of unused provision	(7)	(29)	(7)	(29)
Rediscounting of interest	59	75	59	75
Amount utilised	(121)	(138)	(121)	(138)
Retirement gratuities - closing balance	995	1,096	1,007	1,108

Background

The Council's retirement gratuities provision is a contractual entitlement for a reducing number of employees who, having qualified with 10 years' service will, on retirement, be entitled to a payment based on years of service and current salary. This entitlement has not been offered to Council employees since 1991. Based on the age of remaining participants the provision may not be extinguished until 2037, assuming retirement at age 65.

Relevant significant accounting policies - specific

Retirement gratuities are calculated on an actuarial basis based on the likely future entitlements accruing to employees, after taking into account years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and other contractual entitlements information.

Estimation

The gross retirement gratuities provision (inflation adjusted at 1.80%) as at 30 June 2016, before discounting, is \$1.262m (2015: \$1.435m). The discount rate used is 6.10%.

OTHER CONTRACTUAL PROVISIONS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	112	77	112	77
New provision	55	112	55	112
Release of unused provision	-	(7)	-	(7)
Amount utilised	(112)	(70)	(112)	(70)
Other contractual provisions - closing balance	55	112	55	112

Background

The above provision is to cover estimated redundancy costs as at 30 June 2016 resulting from current restructuring within the Council.

Relevant significant accounting policies - specific

Other contractual provisions include termination benefits, which are recognised within surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal retirement date or to provide such benefits as a result of an offer to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid, otherwise they are reported as the present value of the estimated future cash outflows.

NOTE 25: PROVISIONS FOR OTHER LIABILITIES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Current				
ACC Partnership programme	12	27	12	27
Landfill post closure costs	1,441	2,112	1,441	2,112
Weathertight homes	9,500	13,068	9,500	13,068
Total current	10,953	15,207	10,953	15,207
Non-current				
Landfill post closure costs	15,330	13,708	15,330	13,708
Weathertight homes	34,920	28,132	34,920	28,132
Total non-current	50,250	41,840	50,250	41,840
TOTAL PROVISIONS FOR OTHER LIABILITIES	61,203	57,047	61,203	57,047

Relevant significant accounting policies - general

Provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

Movements in material provisions above are analysed as follows:

LANDFILL POST CLOSURE COSTS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	15,820	15,779	15,820	15,779
Movement in provision	479	(866)	479	(866)
Re-discounting of interest	932	1,114	932	1,114
Amount utilised	(460)	(207)	(460)	(207)
Landfill post closure costs - closing balance	16,771	15,820	16,771	15,820
Current	1,441	2,112	1,441	2,112
Non-current	15,330	13,708	15,330	13,708
Landfill post closure costs - closing balance	16,771	15,820	16,771	15,820

Background

The Council operates the Southern Landfill (Stage 3) and has a 21.5% joint venture interest in the Spicer Valley Landfill. It also manages a number of closed landfill sites around Wellington. The Council has responsibility for the closure of its landfills and to provide ongoing maintenance and monitoring of the landfills after they are closed.

As part of the closure of landfills, or landfill stages, the Council's responsibilities include:

- Final cover application and vegetation
- Incremental drainage control features
- Completing facilities for post closure responsibilities

Post closure responsibilities include:

- Treatment and monitoring of leachate
- Ground water and surface monitoring
- Gas monitoring and recovery
- Implementation of remedial measures such as needed for cover and control systems
- Ongoing site maintenance for drainage systems, final cover and vegetation

The management of the landfill will influence the timing of recognition of some liabilities - for example, the Southern Landfill operates in stages. A liability relating to any future stages will only be created when the stage is commissioned and when refuse begins to accumulate in this stage.

The Council, as operator of the Southern Landfill, has a legal obligation to apply for resource consents when the landfill or landfill stages reach the end of their operating life and are to be closed. These resource consents will set out the closure requirements and the requirements for ongoing maintenance and monitoring services at the landfill site after closure.

Relevant significant accounting policies - specific

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises, which is when each stage of the landfill is commissioned and refuse begins to accumulate.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including known changes to legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure including final cover application and vegetation; incremental drainage control features; completing facilities for leachate collection and monitoring completing; facilities for water quality monitoring and completing facilities for monitoring and recovery of gas.

Amounts provided for landfill post-closure are capitalised to the landfill asset. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The Council's provision for landfill post-closure costs includes the Council's 21.5% proportionate share of the Spicer Valley landfill provision for post-closure costs.

Estimations

The long term nature of the liability means there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated using known improvements in technology and known changes to legal requirements. Future cash flows are discounted using the rate of 6.10%. The gross provision (inflation adjusted at 2.29%), before discounting, is \$23.576m as at 30 June 2016 (2015: \$23.445m). This represents the Council's projection of the amount required to settle the obligation at the estimated time of the cash outflow.

Stage 3 of the Southern Landfill has an estimated remaining capacity of 664,018m³ (2015: 780,000m³) and is expected to close in 2021. These estimates have been made by the Council's engineers based on expected future and historical volume information.

The Council's provision includes a proportionate share of the Spicer Valley Landfill provision for post closure costs. The Spicer Valley Landfill has an estimated remaining capacity of 407,000m³ (2015: 483,000m³) and an estimated remaining life out to 2022 (6 years).

WEATHERTIGHT HOMES	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	41,200	50,393	41,200	50,393
Additional or increased provision made	12,006	980	12,006	980
Amount utilised	(8,786)	(10,173)	(8,786)	(10,173)
Weathertight homes - closing balance	44,420	41,200	44,420	41,200
Current	9,500	13,068	9,500	13,068
Non-current	34,920	28,132	34,920	28,132
Weathertight homes - closing balance	44,420	41,200	44,420	41,200

Background

This provision represents the Council's estimated liability relating to the settlement of claims arising in relation to the Weathertight Homes Resolution Services (WHRS) Act 2006 and civil proceedings for weathertightness.

A provision has been recognised for the potential net settlement of all known claims, including those claims that are being actively managed by the Council as well as claims lodged with WHRS but not yet being actively managed. The provision also includes an amount of \$2.056m (2015: \$3.282m) as a provision for future claims relating to weathertightness issues not yet identified or not yet reported.

Movement in the provision

During the year \$8.786m was paid as either part or full settlement of claims. An additional \$12.006m was added to the provision after an actuarial re-assessment of the likely future costs to be incurred as explained below. The current / non-current split above reflects the expected timing of payments but is reassessed each year to take account of delays in claim negotiations and any mediation outcomes.

Estimation

The Council has provided for the expected future costs of reported claims. The provision for active claims is based on the best estimate of the Council's expected future costs to settle these claims and is reviewed on a case by case basis. The estimate for claims which have been notified and are not yet actively managed and unreported claims is based on actuarial assessments and other information on these claims. The nature of the liability means there are significant inherent uncertainties in estimating the likely costs that will be incurred in the future. This represents the Council's best estimate of the amount required to settle the obligation at the estimated time of the cash outflow. Future cash flows are inflation adjusted and discounted using an applicable discount rate. The provision is net of any third-party contributions including insurance, where applicable.

The provision is based on best estimates and actuarial assessments and therefore actual costs incurred may vary significantly from those included in this provision, especially for future claims relating to weathertightness issues not yet identified or not yet reported.

The significant assumptions used in the calculation of the weathertight homes provision are as follows:

Amount claimed

Represents the expected amount claimed by the homeowner and is based on the actual amounts for claims already settled.

Settlement amount

Represents the expected amount of awarded settlement and is based on the actual amounts for claims already settled.

Amount expected to be paid by the Council

Represents the amount expected to be paid by the Council out of any awarded settlement amount and is based on the actual amounts for claims already settled. This figure has been increasing over the last few years as it is becoming more common for the other parties involved in a claim to be either in liquidation or bankrupt, or have limited funds and be unable to contribute to settlement.

Timing of claim payments

Represents the expected timing of claim payments based on the expected length of time it takes to settle claims. This assumption is based on experience and the actual timings for claims already settled.

Percentage of homeowners who will make a successful claim

Historical data collected on the number of claims lodged has enabled assumptions to be made on the percentage of homes built in the last 10 years which may experience weathertightness problems and therefore the percentage of homeowner who may make a successful claim.

The table below illustrates the potential impact on surplus or deficit of changes in some of the assumptions listed above.

COUNCIL AND GROUP	2016 \$000	
	+10%	-10%
ASSUMPTION	EFFECT ON SURPLUS OR DEFICIT	
Amount claimed	4,442	(4,442)
Settlement level award	4,442	(4,442)
Council contribution to settlement	4,442	(4,442)
Timing of claim payments	-	-
Participation in FAP scheme	(1,756)	1,756
Change in percentage of homeowners who will make a successful claim	205	(205)

ASSUMPTION	+2%	-2%
	EFFECT ON SURPLUS OR DEFICIT	
Discount rate	(1,758)	1,659

Funding of weathertight homes settlements

Council uses borrowings in the first instance to meet the cost of settlements with the associated borrowings subsequently being repaid through rates funding. To ensure that the funding of weathertight homes is fully transparent the associated settlement costs, borrowings and rates funding is reported annually.

FUNDING FOR WEATHERTIGHT HOMES LIABILITY	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	(23,207)	(18,530)	(23,207)	(18,530)
Funding for weathertight homes liability	8,125	6,662	8,125	6,662
Total amounts paid	(8,786)	(10,173)	(8,786)	(10,173)
Interest allocation	(1,551)	(1,166)	(1,551)	(1,166)
Closing balance funded through borrowings	(25,419)	(23,207)	(25,419)	(23,207)

NOTE 26: DEFERRED TAX

Unrecognised temporary differences and tax losses

Deferred tax assets have not been recognised in respect of the following items:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Deductible temporary differences	-	-	559	461
Tax losses	1,037	1,951	1,165	1,951
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	1,037	1,951	1,724	2,412

Under current income tax legislation, the tax losses and deductible temporary differences referred to above do not expire.

The unrecognised deferred tax asset in respect of the above items for the Council is \$0.290m (2015: \$0.546m) and for the Group \$0.483m (2015: \$0.675m).

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

In 2016 \$0.357m (2015: \$0.244m) previously unrecognised tax losses, with a tax effect of \$0.100m (2015: \$0.068m) were recognised by the Group by way of a loss transfer arrangement.

As at 30 June 2016, the Group has a deferred tax liability of \$1.482m (2015: \$1.240m).

Relevant significant accounting policies

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities, and the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	NOTE	COUNCIL			GROUP	
		ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
		2016	2016	2015	2016	2015
		\$000	\$000	\$000	\$000	\$000
EQUITY - Opening balances						
Accumulated funds		1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings		3,722,229	3,702,985	3,685,128	3,709,806	3,672,911
Revaluation reserves		1,383,201	1,429,106	1,372,033	1,497,062	1,482,005
Hedging reserve		(17,462)	137	(403)	(17,462)	(403)
Fair value through other comprehensive revenue and expense reserve		106	63	63	505	63
Non-controlling interest		-	-	-	316	-
Restricted funds		13,124	12,389	14,683	16,923	17,437
TOTAL EQUITY - Opening balance		6,370,332	6,413,814	6,340,638	6,500,312	6,465,175
CHANGES IN EQUITY						
Retained earnings						
Net surplus for the year		34,106	23,101	35,542	36,610	36,381
Transfer to restricted funds		(5,118)	(4,518)	(2,273)	(6,367)	(4,146)
Transfer from restricted funds		4,178	3,979	3,832	4,549	4,660
Transfer from revaluation reserves		653	-	-	653	-
Revaluation reserves	27					
Fair value movement - property, plant and equipment - net		(211)	-	11,168	(211)	15,030
Effect of changed shareholding in associates		-	-	-	-	27
Transfer to retained earnings		(653)	-	-	(653)	-
Hedging reserve	28					
Movement in hedging reserve		(21,268)	-	(17,059)	(21,268)	(17,059)
Fair value through other comprehensive revenue and expense reserve	29					
Movement in fair value - Equity investments		1,542	-	43	1,542	43
Movement in fair value - Available for sale equities		-	-	-	(21)	399
Non-controlling interest						
Movement of non-controlling interest		-	-	-	(32)	316
Restricted funds	30					
Transfer to retained earnings		(4,178)	(3,979)	(3,832)	(4,549)	(4,660)
Transfer from retained earnings		5,118	4,518	2,273	6,367	4,146
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		14,169	23,101	29,694	16,620	35,137

	COUNCIL			GROUP	
	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2016	2016	2015	2016	2015
NOTE	\$000	\$000	\$000	\$000	\$000
EQUITY - Closing balances					
Accumulated funds	1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings	3,756,048	3,725,547	3,722,229	3,745,251	3,709,806
Revaluation reserves	1,382,337	1,429,106	1,383,201	1,496,198	1,497,062
Hedging reserve	(38,730)	137	(17,462)	(38,730)	(17,462)
Fair value through other comprehensive revenue and expense reserve	1,648	63	106	2,026	505
Non-controlling interest	-	-	-	284	316
Restricted funds	14,064	12,928	13,124	18,741	16,923
TOTAL EQUITY - Closing balance	6,384,501	6,436,915	6,370,332	6,516,932	6,500,312
Total comprehensive revenue and expense attributable to:					
Wellington City Council and Group	14,169	23,101	29,694	16,620	35,037
Non-controlling interest	-	-	-	-	100
	14,169	23,101	29,694	16,620	35,137

The notes on pages 146 to 234 form part of and should be read in conjunction with the financial statements

STATEMENT OF CHANGES IN EQUITY - MAJOR BUDGET VARIATIONS

Significant variations from budgeted changes in equity are as follows:

Total closing equity is \$52.414m lower than budget but, after accounting for opening equity being already \$43.482m lower than budget due to the timing of the 2014/15 revaluations and the budgeting process; the change in equity for the reporting period is only \$8.932m less than budgeted.

The main reasons for this lower than budgeted changes in equity are as follows:

- \$11.005m higher than budgeted net surplus
- \$1.542m of previously unrecognised value of equity investments

Offset by:

- \$0.864m decrease in revaluation reserves arising from disposals
- \$21.268m of decrease in the hedging reserve which is non-cash in nature

Equity

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is broken down and classified into a number of components to enable clearer identification of the specified uses of equity within the Council and the Group.

The components of equity are accumulated funds and retained earnings, revaluation reserves, a hedging reserve, a fair value through other comprehensive revenue and expense reserve and restricted funds which comprise special funds, reserve funds and trusts and bequests.

Restricted funds are those reserves that are subject to specific conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.

Equity management

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

NOTE 27: REVALUATION RESERVES

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Land - opening balance	155,091	144,254	155,091	144,254
Revaluation recognised in other comprehensive revenue and expense	-	10,837	-	10,837
Land - closing balance	155,091	155,091	155,091	155,091
Buildings - opening balance	231,498	231,167	231,498	231,167
Revaluation adjustment	(211)	331	(211)	331
Transfer to retained earnings on disposal of assets	(653)	-	(653)	-
Buildings - closing balance	230,634	231,498	230,634	231,498
Library collections - closing balance	7,015	7,015	7,015	7,015
Drainage, waste and water - closing balance	547,533	547,533	547,533	547,533
Service concession assets - closing balance	70,619	70,619	70,619	70,619
Infrastructure land - closing balance	15,410	15,410	15,410	15,410
Roading - closing balance	356,035	356,035	356,035	356,035
Associates' revaluation reserves - opening balance	-	-	113,861	109,972
Revaluation recognised in other comprehensive revenue and expense	-	-	-	3,862
Effect of changed shareholding in associates	-	-	-	27
Associates' revaluation reserves - closing balance	-	-	113,861	113,861
Total revaluation reserves - closing balance	1,382,337	1,383,201	1,496,198	1,497,062
These revaluation reserves are represented by:				
Opening balance	1,383,201	1,372,033	1,497,062	1,482,005
Revaluation recognised in other comprehensive revenue and expense	-	10,837	-	14,699
Revaluation adjustment	(211)	331	(211)	331
Transfer to retained earnings on disposal of assets	(653)	-	(653)	-
Effect of changed shareholding in associates	-	-	-	27
TOTAL REVALUATION RESERVES	1,382,337	1,383,201	1,496,198	1,497,062

The revaluation reserves are used to record accumulated increases and decreases in the fair value of certain asset classes.

For the period ending 30 June 2016 Council has only revalued its investment properties, which are revalued every year. The infrastructure land and network assets (Drainage, waste, water and roading) and the Library collection will be revalued in 2016/17 as per the normal 3-yearly cycle. Operational land and buildings are due for revaluation in 2017/18.

Revaluation movements are non-cash in nature and represent the restating of the Council's assets, subject to revaluation, into current dollar values after taking into account the condition and remaining lives of the assets.

Relevant significant accounting policies

The result of any revaluation of the Group's property, plant and equipment is recognised within other comprehensive revenue and expense and taken to the asset revaluation reserve. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is included in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised within surplus or deficit will be recognised firstly, within surplus or deficit up to the amount previously expensed, and with any remaining increase recognised within other comprehensive revenue and expense and in the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at the revaluation date is eliminated so that the carrying amount after revaluation equals the revalued amount.

While assumptions are used in all revaluations, the most significant of these are in infrastructure. For example where stormwater, wastewater and water supply pipes are underground, the physical deterioration and condition of assets are not visible and must therefore be estimated. Any revaluation risk is minimised by performing a combination of physical inspections and condition modelling assessments.

NOTE 28: HEDGING RESERVE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	(17,462)	(403)	(17,462)	(403)
Cash flow hedge net movement recognised in other comprehensive revenue and expense	(21,268)	(17,059)	(21,268)	(17,059)
TOTAL HEDGING RESERVE	(38,730)	(17,462)	(38,730)	(17,462)

The hedging reserve shows accumulated fair value changes for interest rate swaps which satisfy the criteria for hedge accounting and have operated as effective hedges during the period.

The Council uses interest rate swaps to fix interest rates on floating rate debt (floating rate notes and commercial paper) to give it certainty over interest costs.

The Council uses hedge accounting to recognise any fair value fluctuations in these swaps through this reserve within equity. Using hedge accounting prevents any significant movement in interest rate exposure significantly affecting the Council's ability to meet its balanced budget requirements.

NOTE 29: FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Opening balance	106	63	505	63
Movements:				
Civic Assurance	133	43	133	43
Local Government Funding Agency	1,409	-	1,409	-
Creative HQ shareholdings - available for sale	-	-	(21)	399
TOTAL FAIR VALUE THROUGH OTHER COMPREHENSIVE REVENUE AND EXPENSE RESERVE	1,648	106	2,026	505

This reserve reflects the accumulated fair value movement in the Council's investment in Civic Assurance and the Local Government Funding Agency, for which there is no intention to sell. For further information refer to Note 14: Other financial assets (page 168).

In the Group, Creative HQ, a controlled entity of WREDA, has small shareholdings in incubator and accelerator programme companies. These shareholdings are fair valued annually and any movement is held within this reserve until the shares are disposed.

NOTE 30: RESTRICTED FUNDS

Restricted funds are comprised of special reserves and funds that Council holds for specific purposes and trusts and bequests that have been bestowed upon the Council for the benefit of all Wellingtonians.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Special reserves and funds	13,639	12,702	17,094	15,635
Trusts and bequests	425	422	1,647	1,288
TOTAL RESTRICTED FUNDS	14,064	13,124	18,741	16,923

SPECIAL RESERVES AND FUNDS	CLOSING	ADDITIONAL	FUNDS	CLOSING
	BALANCE	FUNDS	UTILISED	BALANCE
	2015 \$000	2016 \$000	2016 \$000	2016 \$000
Council				
City growth fund	2,976	3,050	(2,735)	3,291
Reserve purchase and development fund	999	-	(217)	782
Insurance reserve	8,727	1,500	(661)	9,566
Total Council	12,702	4,550	(3,613)	13,639
Controlled entities' reserve funds	2,933	726	(204)	3,455
Total Group - Special reserves and funds	15,635	5,276	(3,817)	17,094

Nature and purpose, funding and utilisation

City Growth Fund (formerly the Wellington economic initiatives development fund)

This fund is part of an integrated approach to fostering growth in the economy. Funding of \$3m was provided from previous surpluses and \$2.735m was utilised during the year.

Reserve purchase and development fund

This fund is used to purchase and develop reserve areas within the city. During the year \$0.217m was used to purchase Flagstaff Hill and other land for reserve purposes.

Insurance reserve

This reserve came into effect in 2001 and allows the Council to meet the cost of claims that fall below deductible limits under Council's insurance policies. Annual additions to the reserve of \$1.500m (2015: \$0.750m) are funded through rates as identified in the Annual Plan. During the year \$0.661m (2015: \$1.632m) was used to meet below-excess insurance costs.

Controlled entities' reserve funds

The restricted funds of the controlled entities relate to the Wellington Museums Trust and the Wellington Zoo Trust:

- The Wellington Museums Trust has three reserves; a Capital Reserve, a Colonial Cottage Museum Collection reserve and a City and Sea Collection reserve. The two collection reserves are for the purpose of future museum acquisitions
- The Wellington Zoo Trust has two reserves; an Animal Transfer Fund specifically for the transfer of animals and a Conservation Fund to specifically support field conservation

TRUST AND BEQUESTS	CLOSING	ADDITIONAL	FUNDS	CLOSING
	BALANCE	FUNDS	UTILISED	BALANCE
	2015	2016	2016	2016
	\$000	\$000	\$000	\$000
Council				
A Graham Trust	3	-	-	3
A W Newton Bequest	318	15	(15)	318
Charles Plimmer Bequest	-	550	(550)	-
E A McMillan Estate	6	-	-	6
E Pengelly Bequest	13	1	-	14
F L Irvine Smith Memorial	7	-	-	7
Greek NZ Memorial Association	5	-	-	5
Kidsarus 2 Donation	3	-	-	3
Kirkcaldie and Stains Donation	17	-	-	17
QEII Memorial Book Fund	19	1	-	20
Schola Cantorum Trust	7	1	-	8
Terawhiti Grant	10	-	-	10
Wellington Beautifying Society Bequest	14	-	-	14
Total Council - Trusts and bequests	422	568	(565)	425
Controlled entities' trusts and bequests	866	523	(167)	1,222
Total Group - Trusts and bequests	1,288	1,091	(732)	1,647

Analysis of movements in trusts and bequests

Additional Funds

Trusts and bequests receiving additional funds during the year were those where interest has been applied in accordance with the original terms and conditions.

- Charles Plimmer - Distributions through the Public Trust recognised as revenue - \$550,000

Funds utilised

Trusts and bequests funds utilised during the year were:

- Charles Plimmer Bequest - Botanical Gardens Children's garden - \$550,000
- A W Newton Bequest - Fine Arts - \$5,089
- A W Newton Bequest - Sports Festival - \$10,000

Nature and purpose

Other than those specific trusts and bequests discussed above, the other Council bequests and trusts are generally provided for library, educational or environmental purposes.

The Wellington Zoo Trust has a number of bequests, trusts and capital grants made to it for specific purposes, which are held as restricted funds until utilised. Further information on these can be found in the Wellington Zoo Trust annual report published on their website here.

STATEMENT OF CASH FLOWS

For the year ending 30 June 2016

	COUNCIL			GROUP	
	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL
	2016	2016	2015	2016	2015
	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from rates - Council	272,802	259,728	252,484	272,802	252,484
Receipts from rates- Greater Wellington Reginal Council	55,622	53,018	50,763	55,622	50,763
Receipts from activities and other revenue	119,920	136,363	127,366	131,199	148,920
Receipts from grants and subsidies - Operating	7,108	6,485	7,666	15,839	28,593
Receipts from grants and subsidies - Capital	38,918	36,026	48,244	39,679	37,906
Receipts from investment property lease rentals	11,025	9,135	10,211	11,025	10,211
Cash paid to suppliers and employees	(288,166)	(294,178)	(286,807)	(324,047)	(327,119)
Rates paid to GWRC	(56,288)	(53,018)	(50,876)	(56,288)	(50,876)
Grants paid	(38,384)	(35,583)	(28,524)	(18,543)	(13,713)
Income tax paid	-	-	-	(244)	(6)
Net GST (paid) / received	(925)	-	(1,180)	(2,329)	(972)
NET CASH FLOWS FROM OPERATING ACTIVITIES	121,632	117,976	129,347	124,715	136,191
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received	12,179	11,000	13,082	12,218	13,082
Interest received	3,103	637	2,838	3,311	3,068
Loan repayments	277	-	-	277	-
Decrease in bank investments	-	-	20,000	-	20,000
Proceeds from sale of property, plant and equipment	592	2,650	2,290	1,023	2,447
Proceeds from sale of Investments	-	-	-	-	31
Proceeds from sale of Investment property	6,843	-	-	6,843	-
Loan advance made	(442)	-	-	(442)	(75)
Increase in investments	(1,520)	-	(824)	(1,520)	(822)
Cash from aquisition of controlled entity	-	-	-	-	668
Purchase of investment properties	(1,862)	-	(10)	(1,862)	(10)
Purchase of intangibles	(9,521)	(11,195)	(7,741)	(9,521)	(7,747)
Purchase of property, plant and equipment	(136,816)	(146,857)	(137,353)	(140,648)	(139,799)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(127,167)	(143,765)	(107,718)	(130,321)	(109,157)
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings	148,855	239,327	70,000	148,855	70,000
Repayment of borrowings	(92,099)	(197,932)	(55,390)	(92,099)	(55,390)
Interest paid on borrowings	(23,125)	(22,763)	(22,899)	(23,125)	(22,899)
NET CASH FLOWS FROM FINANCING ACTIVITIES	33,631	18,632	(8,289)	33,631	(8,289)
Net increase/(decrease) in cash and cash equivalents	28,096	(7,157)	13,340	28,025	18,745
Cash and cash equivalents at beginning of year	65,913	8,406	52,573	75,598	56,853
CASH AND CASH EQUIVALENTS AT END OF YEAR	94,009	1,249	65,913	103,623	75,598

The cash and cash equivalents balance above equates to the cash and cash equivalents balance in the Statement of Financial Position.

The notes on pages 146 to 234 form part of and should be read in conjunction with the financial statements

Wellington City Council acts as a collection agency for GWRC by including additional rates and levies in its own billing process. Once collected, the monies are passed to GWRC. The budget assumes that the inflows and outflows will offset each other and are shown as nil accordingly.

The Council has ring fenced funds of \$62.906m m (2015: \$40.356m) relating to the housing upgrade project and waste activities. For more information see Note 23: Borrowings (page 191).

Cash and cash equivalents for the purposes of the cash flow statement comprises bank balances, cash on hand and short term deposits with a maturity of three months or less. The statement of cash flows has been prepared using the direct approach subject to the netting of certain cash flows. Cash flows in respect of investments and borrowings that have been rolled-over under arranged finance facilities have been netted in order to provide more meaningful disclosures.

Operating activities include cash received from all non-financial revenue sources of the Council and Group and record the cash payments made for the supply of goods and services.

Investing activities relate to the acquisition and disposal of assets and investment revenue.

Financing activities relate to activities that change the equity and debt capital structure of the Council and Group and financing costs.

STATEMENT OF CASH FLOWS - MAJOR BUDGET VARIATIONS

Cash flow budgeting is performed using various assumptions around the timing of events and any departure from these timings will affect the outcome against budget.

Significant variations from the cash flow budgets are as follows:

Net cash flows from operating activities were \$3.656m higher than budgeted primarily due to:

- \$13.074m of higher receipts from property and water rates
- \$3.515m of higher receipts from operating and capital grants and subsidies
- \$6.012m of lower payments to suppliers and employees

Offset by:

- \$16.433m of lower revenue from activities and other revenue
- \$2.801m of higher grants paid

Net cash flows from investing activities were \$16.598m lower than budget primarily due to:

- \$6.843m of unbudgeted investment property sales
- \$10.041m of lower purchases of property, plant and equipment assets due to lower capital expenditure (eg. lower housing upgrade project activity)

Net cash flows from financing activities were \$14.999m higher than budget primarily due to:

- \$15.361m of a net increase in borrowings primarily due to the unbudgeted purchase of land for the movie museum and convention centre

NOTE 31: RECONCILIATION OF NET SURPLUS TO NET OPERATING CASH FLOWS

The net surplus from the Statement of Comprehensive Revenue and Expense is reconciled to the net cash flows from operating activities in the Statement of Cash Flows as follows:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Net surplus for the period	34,106	35,542	36,610	36,381
Add/(deduct) non-cash items:				
Vested assets	(10,181)	(12,368)	(10,181)	(12,368)
Bad debts written off not previously provided for	282	307	282	334
Depreciation and amortisation	99,183	99,009	100,971	100,024
Impairment of property, plant and equipment	132	5,072	581	5,072
Fair value changes in investment properties	(13,773)	(8,552)	(13,773)	(8,552)
Other fair value changes	(400)	(197)	(400)	(191)
Movement in provision for impairments of doubtful debts	153	(512)	153	(512)
Non-cash movement in provisions	12,079	1,045	12,550	1,651
Total non-cash items	87,475	83,804	90,183	85,458
Add/(deduct) movement in working capital: ¹				
Exchange receivables and non-exchange recoverables	(10,826)	(2,083)	(6,962)	(650)
Prepayments	953	(800)	572	(1,200)
Inventories	(202)	70	(123)	(92)
Exchange transactions, taxes and transfers payables	(4,623)	(2,163)	(8,555)	(961)
Revenue in advance	13,805	17,186	12,837	18,854
Employee benefit liabilities	782	967	879	776
Provision for other liabilities	(7,908)	(10,210)	(7,908)	(10,401)
Total working capital movement	(8,019)	2,967	(9,260)	6,326
Add/(deduct) investing and financing activities:				
Net (gain)/loss on disposal of property, plant and equipment	1,115	55	1,461	36
Net (gain)/loss on disposal of investment property	(888)	-	(888)	-
Dividends received	(12,179)	(13,082)	(160)	(163)
Interest received	(3,103)	(2,838)	(3,334)	(3,128)
Tax paid and subvention receipts	-	-	(205)	(6)
Interest paid on borrowings	23,125	22,899	23,119	22,899
Share of equity accounted surplus from associates	-	-	(12,811)	(11,612)
Total investing and financing activities	8,070	7,034	7,182	8,026
NET CASH FLOWS FROM OPERATING ACTIVITIES	121,632	129,347	124,715	136,191

1. Excluding non-cash items.

Other Disclosures

NOTE 32: FINANCIAL INSTRUMENTS

Financial instruments include financial assets (loans and receivables or recoverables and financial assets at fair value through other comprehensive revenue and expense), financial liabilities (payables and borrowings) and derivative financial instruments. Financial instruments are classified into the categories outlined below based on the purpose for which they were acquired. The classification is determined at initial recognition and re-evaluated at the end of each reporting period.

Relevant significant accounting policies

Financial instruments are initially recognised on trade-date at their fair value plus transaction costs. Subsequent measurement of financial instruments depends on the classification determined by the Council.

Financial Assets

Financial assets are classified as loans and receivables or financial assets at fair value through other comprehensive revenue and expense.

Loans and receivables comprise cash and cash equivalents, receivables or recoverables and loans and deposits.

- Cash and cash equivalents comprise cash balances and bank deposits with maturity dates of three months or less
- Receivables and recoverables have fixed or determinable payments. They arise when the Group provides money, goods or services directly to a debtor, and has no intention of trading the receivable or recoverable
- Loans and deposits include loans to other entities (including controlled entities and associates), and bank deposits with maturity dates of more than three months

Financial assets in this category are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Receivables or recoverables due in less than 12 months are recognised at their nominal value. A provision for impairment is recognised when there is objective evidence that the asset is impaired. As there are statutory remedies to recover unpaid rates, rates penalties and water meter charges, no provision has been made for impairment in respect of these receivables or recoverables.

Financial assets at fair value through other comprehensive revenue and expense primarily relate to equity investments that are held by the Council for long-term strategic purposes and therefore are not intended to be sold. Within the Group, small shareholdings are held in start-up companies, which are available for sale, until the companies mature or cease operations. Financial assets at fair value through other comprehensive revenue and expense are initially recorded at fair value plus transaction costs. They are subsequently measured at fair value and changes, other than impairment losses, are recognised directly in a reserve within equity. On disposal, the cumulative fair value gain or loss previously recognised directly in other comprehensive revenue and expense is recognised within surplus or deficit.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Financial Liabilities

Financial liabilities include payables under exchange transactions, taxes, transfers and borrowings. Financial liabilities with duration of more than 12 months are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised within surplus or deficit. Financial liabilities with duration of less than 12 months are recognised at their nominal value.

On disposal any gains or losses are recognised within surplus or deficit.

The following tables provide an analysis of the Council's financial assets and financial liabilities by reporting category as described in the accounting policies:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Financial assets				
Loans and receivables				
Cash and cash equivalents	94,009	65,913	103,623	75,598
Receivables from exchange transactions	15,806	6,611	16,385	7,492
Recoverables from non-exchange transactions	34,519	33,403	35,414	34,964
Other financial assets	9,139	7,054	9,190	7,101
Total loans and receivables	153,473	112,981	164,612	125,155
Financial assets at fair value through other comprehensive revenue and expense				
Other financial assets	4,041	2,499	5,468	3,900
Total financial assets at fair value through other comprehensive revenue and expense	4,041	2,499	5,468	3,900
Hedged derivative financial instruments				
Derivatives designated as cash flow hedges	-	725	-	725
Total hedged derivative financial instruments	-	725	-	725
Total financial assets	157,514	116,205	170,080	129,780
Total non-financial assets	6,922,590	6,858,478	7,051,339	6,985,521
TOTAL ASSETS	7,080,104	6,974,683	7,221,419	7,115,301
Financial liabilities				
Financial liabilities at amortised cost				
Payables under exchange transactions	43,257	46,098	50,552	48,417
Taxes and transfers payable	10,647	12,241	12,817	12,606
Borrowings	490,484	433,728	490,484	433,731
Total financial liabilities at amortised cost	544,388	492,067	553,853	494,754
Derivative financial instruments				
Derivatives designated as cash flow hedges	38,730	18,187	38,730	18,187
Total derivative financial instruments	38,730	18,187	38,730	18,187
Total financial liabilities	583,118	510,254	592,583	512,941
Total non-financial liabilities	112,485	94,097	111,904	102,048
TOTAL LIABILITIES	695,603	604,351	704,487	614,989

Fair value

The fair values of all financial instruments equate or are approximate to the carrying amount recognised in the Statement of Financial Position.

Fair value hierarchy

For those financial instruments recognised at fair value in the Statement of Financial Position, the fair values are determined according to the following hierarchy:

- **Level 1** - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets
- **Level 2** - Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- **Level 3** - Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are not observable

GROUP	2016			2015		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets						
Financial assets at fair value through other comprehensive revenue and expense	-	-	5,468	-	-	3,900
Derivative financial instruments						
- Cash flow hedges	-	-	-	-	725	-
Financial liabilities						
Derivative financial instruments						
- Cash flow hedges	-	38,730	-	-	18,187	-

RECONCILIATION OF FAIR VALUE MOVEMENTS IN LEVEL 3	COUNCIL		GROUP	
	2016	2015	2016	2015
	\$000	\$000	\$000	\$000
Financial assets at fair value through other comprehensive revenue and expense				
- Equity investments				
Opening balance - 1 July	2,499	2,473	3,900	2,473
Opening balance from acquisition	-	-	-	1,008
Purchases	-	-	65	-
Disposals	-	(17)	(18)	(23)
Gains or losses recognised in other comprehensive revenue and expense	1,542	43	1,521	442
Closing balance - 30 June	4,041	2,499	5,468	3,900

The level 3 equity investments comprise the Council's shareholdings in the Local Government Funding Agency \$3.275m (2015: \$1.866m) and Civic Assurance \$0.766m (2015: \$0.633m). Refer to Note 14: Other financial assets (page 168) for more details.

Financial risk management

As part of its normal operations, the Group is exposed to a number of risks. The most significant are credit risk, liquidity risk and market risk, which includes interest rate risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Group, thereby causing a financial loss. The Group is not exposed to any material concentrations of credit risk other than its exposure within the Wellington region. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position and the face value of financial guarantees to related parties (refer Note 34: Contingencies (page 222)). There is currently no liability recognised for these guarantees as the Group does not expect to be called upon for payment.

The Group's maximum exposure to credit risk at the end of the reporting period is:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Financial instruments with credit risk				
Cash and cash equivalents	94,009	65,892	103,623	75,564
Derivative financial instrument assets	-	725	-	725
Receivables and recoverables				
- Receivables	15,806	6,611	11,621	7,492
- Recoverables	34,519	33,403	35,414	34,964
Other financial assets				
- Bank deposits - term	-	-	-	-
- LGFA borrower notes	3,728	2,208	3,728	2,208
- Loans to related parties - other organisations	5,096	4,696	5,096	4,668
- Loans to external organisations	315	150	366	225
Financial guarantees to related parties	278	500	278	500
Total financial instruments with credit risk	153,751	114,185	160,126	126,346

Receivables and recoverables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Council is exposed to credit risk as a guarantor of the LGFA's borrowings. Further information about this exposure is explained in Note 34: Contingencies (page 222).

Credit quality of financial assets

The credit quality of financial assets that are neither past due or impaired can be assessed by reference to Standard and Poor's credit ratings.

COUNTERPARTIES WITH CREDIT RATINGS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Cash - registered banks				
AA-	7,986	1,392	13,711	7,622
Short term deposits - registered banks				
AA-	84,500	61,500	88,377	64,942
A+	1,500	3,000	1,500	3,000
Term deposits (greater than 3 months) - registered banks				
AA-	-	-	-	-
Term deposits - borrower notes - NZ LGFA				
AA+	3,728	2,208	3,728	2,208
Derivative financial instrument assets				
AA-	-	725	-	725

Liquidity risk

Liquidity risk refers to the situation where the Group may encounter difficulty in meeting obligations associated with financial liabilities. The Group maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Liability Management Policy to ensure the Group is able to access required funds.

Contractual maturity

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities include the nominal amount and interest payable.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Contractual cash flows of financial liabilities excluding derivatives				
0-12 months	205,279	236,052	214,747	240,730
1-2 years	49,843	49,642	49,843	49,642
2-5 years	162,570	128,050	162,570	128,050
More than 5 years	186,650	136,273	186,650	136,273
Total contractual cash flows of financial liabilities excluding derivatives	604,342	550,017	613,810	554,695
Represented by:				
Carrying amount as per the Statement of Financial Position	544,388	492,422	553,856	497,100
Future interest payable	59,954	57,595	59,954	57,595
Total contractual cash flows of financial liabilities excluding derivatives	604,342	550,017	613,810	554,695

The following maturity analysis sets out the contractual cash flows for all financial liabilities that are settled on a net cash flow basis. Contractual cash flows for derivative financial liabilities are the future interest payable.

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Contractual cash flows of derivative financial liabilities				
0-12 months	8,532	5,482	8,532	5,482
1-2 years	8,268	5,651	8,268	5,651
2-5 years	16,795	8,186	16,795	8,186
More than 5 years	9,372	753	9,372	753
Total contractual cash flows of derivative financial liabilities	42,967	20,072	42,967	20,072
Represented by:				
Future interest payable	42,967	20,072	42,967	20,072
Total contractual cash flows of derivative financial liabilities	42,967	20,072	42,967	20,072

In addition to cash to be received in 2016/17 the Council currently has \$121.5m in unused committed bank facilities available to settle obligations as well as \$137.403m of cash, cash equivalents and receivables and is expected to have sufficient cash to meet all contractual liabilities as they fall due.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its obligations when they fall due. Information about this exposure is explained in Note 34: Contingencies (page 222).

The Council mitigates exposure to liquidity risk by managing the maturity of its borrowings programme within the following maturity limits:

PERIOD	MINIMUM	MAXIMUM	ACTUAL
0 - 3 years	20%	60%	37%
3 - 5 years	20%	60%	30%
More than 5 years	15%	60%	33%

Market risk

Market risk is the risk that the value of an investment will decrease or a liability will increase due to changes in market conditions. The Group uses interest rate swaps in the ordinary course of business to manage interest rate risks. A Treasury Committee, headed by senior management personnel and the Council's treasury management advisors (presently PWC), provides oversight for financial risk management and derivative activities and ensures any activities are in line with the Liability Management Policy which is formally approved by the Council as part of the LTP.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will decrease due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing financial liabilities. The Group is risk averse and seeks to minimise exposure arising from its borrowing activities primarily by entering into interest rate swap arrangements to fix interest rates on its borrowings.

The Group manages its cash flow interest rate risk by using interest rate swaps. These have the economic effect of converting borrowings from floating rates to fixed rates. The Council uses interest rate swaps to maintain a required ratio of borrowing between fixed and floating interest rates as specified in the liability management policy:

MINIMUM FIXED RATE	MAXIMUM FIXED RATE	ACTUAL % OF FIXED NET DEBT BEFORE INTEREST RATE SWAPS	ACTUAL % OF FIXED NET DEBT AFTER INTEREST RATE SWAPS
50%	95%	6%	92%

The table below shows the effect of the interest rate swaps at reducing the Council's exposure to interest rate risk:

	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Financial instruments subject to interest rate volatility - before effect of interest rate swaps				
Cash and cash equivalents	94,009	65,913	103,623	75,598
Bank deposits - term greater than 3 months	-	-	-	-
Bank facilities - short term	-	(2,000)	-	(2,000)
Bank loans	(3,929)	(3,074)	(3,929)	(3,074)
Commercial paper	(100,000)	(72,000)	(100,000)	(72,000)
Debt securities - floating rate notes	(366,500)	(331,500)	(366,500)	(331,500)
Total financial instruments subject to interest rate volatility - before effect of interest rate swaps	(376,420)	(342,661)	(366,806)	(332,976)
Effect of interest rate swaps in reducing interest rate volatility				
Effect of Cash flow interest rate swaps - hedged	367,500	357,500	367,500	357,500
Effect of Cash flow interest rate swaps - non-hedged	-	-	-	-
Total effect of interest rate swaps in reducing interest rate volatility	367,500	357,500	367,500	357,500
Total financial instruments subject to interest rate volatility - after effect of interest rate swaps	(8,920)	14,839	694	24,524

These interest rate swaps have a nominal value which represents the value of the debt that they are covering (included above). This amount is not recorded in the financial statements; instead the fair value of these interest rate swaps is recognised. This represents the difference between the current floating interest rate and the fixed swap interest rate. At 30 June 2016 the fair value of the interest rate swaps was -\$38.730m (2015: -\$17.462m). This liability will reduce to zero as the swaps reach the end of their lives, and therefore do not represent a liability that the Council will be required to pay cash to settle.

Given that the interest rate swaps have terms that match with the borrowings (short term bank facilities, commercial paper and debt securities), it is appropriate to include the effect of the interest rate swaps on the borrowings interest rate and present the net effective interest rates for the underlying borrowings:

WEIGHTED EFFECTIVE INTEREST RATES	COUNCIL		GROUP	
	2016 %	2015 %	2016 %	2015 %
Investments				
Cash and cash equivalents	2.99	3.76	2.89	3.47
LGFA - borrower notes	2.80	3.96	2.80	3.96
Loans to related parties	-	-	-	-
Loans to external organisations	-	-	-	-
Borrowings				
Bank facilities - short term	-	4.63	-	4.63
Bank loans	7.00	7.00	7.00	7.00
Commercial paper	2.41	3.65	2.41	3.65
Debt securities - fixed	4.84	4.93	4.84	4.93
Debt securities - floating	2.96	4.22	2.96	4.22
Derivative financial instruments - hedged	4.63	4.76	4.63	4.76
Finance leases	10.22	10.22	10.24	10.24

Loans to related parties, being the loans to the Wellington Regional Stadium Trust and to the Karori Wildlife Sanctuary Trust, are both on interest free terms.

Sensitivity analysis

While the Council has significantly reduced the impact of short-term fluctuations on the Group's earnings through interest rate swap arrangements, there is still some exposure to changes in interest rates.

The tables below illustrate the potential surplus and deficit impact of a 1% change in interest rates based on the Council's and the Group's exposures at the end of the reporting period:

COUNCIL		2016 \$000			
INTEREST RATE RISK	NOTE	+1%	-1%	+1%	-1%
		EFFECT ON SURPLUS OR DEFICIT		EFFECT ON OTHER COMPREHENSIVE REVENUE AND EXPENSE	
Financial assets					
Cash and cash equivalents	a	940	(940)	-	-
LGFA - borrower notes		37	(37)	-	-
Derivatives - Interest rate swaps - hedged	b	-	-	-	-
Financial liabilities					
Derivatives - interest rate swaps - hedged	b	-	-	21,400	(23,043)
Debt securities - floating rate notes	c	(960)	960	-	-
Debt securities - fixed rate bonds	d	-	-	-	-
Bank term loans	e	-	-	-	-
Commercial paper	f	(280)	280	-	-
Total sensitivity to interest rate risk		(263)	263	21,400	(23,043)

a. Cash and cash equivalents

Council funds are in a number of different registered bank accounts with interest payable on the aggregation of all accounts. A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$0.940m.

b. Derivatives - hedged interest rate swaps

Derivatives include interest rate swaps with a fair value totalling -\$38.730m. A movement in interest rates of plus 1% has an effect on increasing the unrealised value of the hedged interest rate swaps by \$21.400m. A movement in interest rates of minus 1% has an effect on reducing the unrealised value of the hedged interest rate swaps by \$23.045m.

c. Debt securities - floating rate notes

Debt securities at floating rates total \$366.500m. The full exposure to changes in interest rates has been reduced because the Council has \$270.500m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.960m.

d. Debt Securities - fixed rate bonds

Council has \$20m of fixed rate bonds which are not exposed to interest rate changes.

e. Bank Loan

Council, through its joint venture with Porirua City Council has a bank term loan of \$3.929m. This loan consists of various loans provided to the joint venture through Porirua City Council borrowing. The interest rate applied is fixed at 7% for the joint venture partners and is not subject to interest rate risk.

f. Commercial paper

Council has a Commercial Paper programme which is subject to floating rates and totals \$100m. The full exposure to changes in interest rates has been reduced because the Council has \$72m of this debt at fixed rates through interest rate swaps. A movement in interest rates of plus or minus 1% has an effect on the interest expense of \$0.280m.

NOTE 33: COMMITMENTS

CAPITAL COMMITMENTS	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Approved and contracted - property, plant and equipment	9,771	35,368	9,771	35,369
Approved and contracted - investment properties	130	3	130	3
Approved and contracted - intangibles	461	1,891	461	1,891
Approved and contracted - share of associates	-	-	20,190	12,194
Approved and contracted - share of joint ventures	-	-	-	-
TOTAL CAPITAL COMMITMENTS	10,362	37,262	30,552	49,457

The capital commitments above represents signed contracts in place at the end of the reporting period.

The contracts will often span more than one financial year and may include capital expenditure carried forward from 2015/16 to future years.

Lease commitments

Operating leases - Group as lessee

The Group leases certain items of plant, equipment, land and buildings under various non-cancellable operating lease agreements.

The lease terms are between 2 and 21 years and the majority of the lease agreements are generally renewable at the end of the lease period at market rates.

The amount of minimum payments for non-cancellable operating leases is recognised as an expense in Note 7: Expenditure on operating activities (page 154).

Relevant significant accounting policies

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under operating leases are recognised within surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised within surplus or deficit over the term of the lease as they form an integral part of the total lease payment.

The future expenditure committed by these leases is analysed as follows:

NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Plant and equipment				
Not later than one year	21	30	238	92
Later than one year and not later than five years	2	19	174	93
Later than five years	-	-	-	-
Land and buildings				
Not later than one year	1,246	821	1,696	1,332
Later than one year and not later than five years	4,121	1,977	4,481	2,477
Later than five years	2,213	1,317	2,213	1,317
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSEE	7,603	4,164	8,802	5,311

Operating leases - Group as lessor

The Group has also entered into commercial property leases of its investment property portfolio and other land and buildings.

The land and buildings held for investment purposes are properties which are not held for operational purposes and are leased to external parties.

Ground leases are parcels of land owned by the Group in the central city or on the waterfront that are leased to other parties who own the buildings situated on the land. The leases are generally based on 21-year perpetually renewable terms. As these parcels of land are held for investment purposes the rentals are charged on a commercial market basis.

The land and buildings not held for investment purposes are either used to accommodate the Group's operational activities or are held for purposes such as road widening, heritage, or are being monitored for compliance reasons. In some cases, parts of these assets are leased to external parties on a commercial basis. The terms of these commercial leases generally range from 1 to 15 years.

Relevant significant accounting policies

Rental revenue is recognised on a straight-line basis over the lease term.

The committed revenues expected from these lease portfolios are analysed as follows:

NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Investment properties				
Not later than one year	9,605	10,026	9,605	10,026
Later than one year and not later than five years	37,258	37,871	37,258	37,871
Later than five years	69,521	78,110	69,521	78,110
Land and buildings				
Not later than one year	2,284	2,892	2,134	2,244
Later than one year and not later than five years	5,576	6,024	5,256	5,327
Later than five years	9,312	9,177	9,305	9,177
TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS AS LESSOR	133,556	144,100	133,079	142,755

Commitments to related parties

The Council and Group have no commitments to key management personnel beyond normal employment obligations.

NOTE 34: CONTINGENCIES

CONTINGENT LIABILITIES	COUNCIL		GROUP	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Financial guarantees to community groups	278	500	278	500
Uncalled capital - LGFA	1,866	1,866	1,866	1,866
Other legal proceedings	268	202	268	202
Share of associates' contingent liabilities	-	-	-	-
Share of joint ventures' contingent liabilities	-	-	-	-
TOTAL CONTINGENT LIABILITIES	2,412	2,568	2,412	2,568

Contingent assets

The Council and Group have no contingent assets as at 30 June 2016 (2015: \$Nil).

Relevant significant accounting policies

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Contingent assets are disclosed if it is probable the benefits will be realised.

Financial guarantee contract

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the contract holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. The Group measures the fair value of a financial guarantee by determining the probability of the guarantee being called by the holder. The probability factor is then applied to the principal and the outcome discounted to present value.

Financial guarantees are subsequently measured at the higher of the Group's best estimate of the obligation or the amount initially recognised less any amortisation.

Karori Wildlife Sanctuary Trust (Zealandia)

The Council has provided a guarantee over a term loan facility to a maximum limit of \$1.550m plus any outstanding interest and enforcement costs. The loan matures 30 June 2020 and repayments are being met on schedule.

NZ Local Government Funding Agency Limited (LGFA)

Council is one of 30 local authority shareholders and 8 local authority guarantors of the LGFA. In that regard Council has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2016, LGFA had borrowings totalling \$6,220m (2015: \$4,955m).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that we are not aware of any local authority, which is a member of the LGFA, that has had debt default events in New Zealand; and local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required. Council considers that even if it was called upon to contribute the cost would not be material.

Other legal proceedings

Other legal proceedings are current claims against the Council and Group as a result of past events which are currently being contested. The amounts shown reflect potential liability for financial reporting purposes only and do not represent an admission that any claim is valid. The outcome of these remains uncertain at the end of the reporting period. The maximum exposure to Council is anticipated to be less than \$0.268m.

Unquantified contingent liabilities

The Government's Weathertight Homes Financial Assistance Package aims to help people get their non-weathertight homes fixed faster, and centres on the Government and local authorities each contributing 25% of agreed repair costs and affected homeowners funding the remaining 50% backed by a Government loan guarantee. A provision for known claims and future claims has been made (refer to Note 25: Provisions for other liabilities (page 195)). The impact and cost of future and unknown claims cannot be measured reliably and therefore the Council and Group have an unquantified contingent liability.

On 11 October 2012 the Supreme Court of New Zealand released a decision clarifying that councils owe a duty of care when approving plans and inspecting construction of a building which was not purely a residential building. The Court held that there was no principled basis for distinguishing between the liability of those who played a role in the construction of residential buildings as against the construction of non-residential buildings. This extends the scope of the potential liability for the Council to include non-residential buildings consented under the Building Act 1991.

Through the process of working with our actuaries, it has been identified that due to a lack of historical and current information relating to non-residential building claims, a reliable estimate of any potential liability cannot be quantified at this time.

There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.

NOTE 35: JOINTLY CONTROLLED ASSETS

The Council has significant interests in the following joint ventures:

JOINT VENTURE	INTEREST 2016	INTEREST 2015	NATURE OF BUSINESS
Wastewater treatment plant - Porirua City Council	27.60%	27.60%	Owns and operates a wastewater treatment plant and associated trunk sewers and pumping stations that provide services to Wellington City's northern suburbs
Spicer Valley Landfill - Porirua City Council	21.50%	21.50%	Owns and operates a sanitary landfill that provides services to Wellington City's northern suburbs

The end of the reporting period for the joint ventures is 30 June. Included in the financial statements are the following items that represent the Council's and Group's interest in the assets and liabilities of the joint ventures.

Relevant significant accounting policies

For a jointly controlled asset the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's proportionate interest (ie 21.5% of the Spicer Valley landfill) in the assets, liabilities, revenue and expenditure is included in the financial statements of the Council and Group on a line-by-line basis.

SHARE OF NET ASSETS - PORIRUA CITY COUNCIL JOINT VENTURES (PCCJV)	2016 \$000	2015 \$000
ASSETS		
Current		
Inventory	42	59
Receivables and recoverables	1,420	1,657
Non-current		
Property, plant and equipment	22,249	20,680
Share of total assets	23,711	22,396
LIABILITIES		
Non-current		
Borrowings	3,929	3,074
Provisions for other liabilities	2,029	1,595
Share of total liabilities	5,958	4,669
SHARE OF NET ASSETS	17,753	17,727

The Council's and Group's share of the joint ventures' current year net surplus and revaluation movements (after elimination) included in the financial statements are shown below.

SHARE OF NET SURPLUS AND REVALUATION MOVEMENTS - PCCJV	2016 \$000	2015 \$000
Operating revenue	3,016	3,014
Operating expenditure	(2,990)	(2,699)
Share of net surplus or (deficit)	26	315
Share of current year revaluation movement	-	24

The Council's and Group's share of the joint ventures' capital commitments is \$Nil (2015: \$Nil) and contingent liabilities is \$Nil (2015: \$Nil).

NOTE 36: RELATED PARTY DISCLOSURES

Relevant significant accounting policies

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all members of the Group (controlled entities, associates and joint ventures) and key management personnel.

Key management personnel include the Mayor and Councillors as elected members of the governing body of the Council reporting entity, the Chief Executive and all members of the Executive Leadership Team, being key advisors to the Council and Chief Executive.

Key management personnel

In this section, the Council discloses the remuneration and related party transactions of key management personnel. The remuneration payable to key management personnel of the Group's other entities is disclosed separately within their individual financial statements and is not included in the following table.

REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	COUNCIL	
	2016 \$	2015 \$
Council Members		
Short-term benefits	1,464,085	1,434,782
Chief Executive and Executive Leadership Team		
Short-term employee benefits	2,335,591	2,362,735
Post employment benefits	48,109	55,359
Termination benefits	-	-
TOTAL REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL	3,847,785	3,852,876

Key management personnel comprise 23 individuals: 15 elected members or 15 fulltime equivalents and 8 executive leaders or 8 fulltime equivalents.

For further disclosure of the remuneration payable to the Mayor, Councillors and the Chief Executive refer to Note 37: Remuneration and staffing (page 229).

Material related party transactions - key management personnel

During the year key management personnel, as part of normal local authority relationships, were involved in transactions with the Council such as payment of rates and purchases of rubbish bags or other Council services.

These transactions were on normal commercial terms. Except for these transactions no key management personnel have entered into related party transactions with the Group.

The Mayor and Councillor's disclose their personal interests in a register available on the Council Website.

There are no commitments from Council to key management personnel.

Material related party transactions - other organisations

Basin Reserve Trust (BRT)

The Basin Reserve Trust was established on 24 February 2005 to manage, operate and maintain the Basin Reserve. The Trust was jointly created with Cricket Wellington Incorporated (CWI). Wellington City Council and CWI each appoint two of the four trustees. Wellington City Council has significant influence over the Trust through the appointment of trustees, and receives benefits from the complementary activities of the Trust.

The Council considers the Trust does not meet the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is not appropriate to include the Trust in the Group financial statements. During the year ending 30 June 2016 Council contributed \$0.368m (2015: \$0.368m) to fund the operations of the Trust.

NZ Local Government Funding Agency Limited (LGFA)

The LGFA was incorporated on 1 December 2011 and was established to facilitate the efficient, and cost effective, raising of debt funding for local government authorities. There are currently 30 regional, district and city councils throughout New Zealand that own 80% of the issued capital, with the Government holding the remaining 20%. The Council became an establishment shareholder in this Council Controlled Trading Organisation (CCTO) and currently has an investment of \$1.866m representing 8.3% of paid-up capital.

Karori Wildlife Sanctuary Trust (Zealandia)

The Council has influence in the governance, funding and operations of the Karori Wildlife Sanctuary Trust (trading as Zealandia) which is not part of the Group, to the extent that it is considered appropriate to disclose the nature of the transactions as being between related parties. The Council appoints two of the five trustees including the Chair. Operational funding of \$0.875m (2015: \$0.875m) was made during the year to 30 June 2016.

Wellington Regional Stadium Trust (WRST)

Wellington Regional Stadium Trust was jointly created with GWRC and Wellington City Council has significant influence over the Wellington Regional Stadium Trust through the appointment of trustees and receives benefits from the complementary activities of the Trust.

The Council considers the Trust does not meet the requirements of PBE IPSAS 7 *Investments in Associates* to enable continued consolidation on an equity accounted basis. The Trust is still identified as an associate given the Council's level of influence and financial support but due to the lack of an equity investment the Council believes it is not appropriate to include the Trust in the Group financial statements.

Council holds a \$15m limited recourse loan to WRST which, is unsecured, with no specified maturity and at no interest. The loan is not repayable until all other debts are extinguished.

On maturity of the initial WRST membership underwrite, the unpaid interest was converted to a \$0.395m advance repayable after all other advances made by the Council and GWRC.

During the year ending 30 June 2016 Council transacted directly with WRST to the amount of \$0.275m (2015: \$0.577m) in support of major events.

Intra group transactions and balances

During the year the Council has entered into transactions with its joint venture partner Porirua City Council. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

INTRA GROUP TRANSACTIONS AND BALANCES - JOINTLY CONTROLLED ASSETS		
	2016	2015
	\$000	\$000
Expenditure incurred by the Council to fund the operation and management of:		
Porirua - waste water treatment plant	2,023	1,756

During the year the Council has entered into transactions with its controlled entities. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

INTRA GROUP TRANSACTIONS AND BALANCES - CONTROLLED ENTITIES	2016 \$000	2015 \$000
Revenue for services provided by the Council to:		
Positively Wellington Tourism	24	530
Positively Wellington Waterfront	-	139
Wellington Cable Car Limited	309	106
Wellington Museums Trust	1,436	1,496
Wellington Regional Economic Development Agency	306	184
Wellington Zoo Trust	841	664
	2,916	3,119
Grant funding by Council for the operations and management of:		
Positively Wellington Tourism	-	3,253
Wellington Cable Car Limited	1,500	-
Wellington Museums Trust	8,313	8,226
Wellington Regional Economic Development Agency	7,135	3,378
Wellington Zoo Trust	2,894	2,757
	19,842	17,614
Expenditure for services provided to the Council by:		
Positively Wellington Tourism	-	121
Positively Wellington Waterfront	-	21
Wellington Cable Car Limited	32	134
Wellington Museums Trust	2,476	3,429
Wellington Regional Economic Development Agency	6,013	6,495
Wellington Zoo Trust	2,749	3,022
	11,270	13,222
Current receivables and recoverables owing to the Council from:		
Positively Wellington Waterfront	-	139
Wellington Cable Car Limited	-	3
Wellington Museums Trust	161	183
Wellington Regional Economic Development Agency	6	3
Wellington Zoo Trust	213	608
	380	936
Current payables owed by the Council to:		
Wellington Cable Car Limited	419	27
Wellington Museums Trust	171	579
Wellington Regional Economic Development Agency	729	628
Wellington Zoo Trust	196	221
	1,515	1,455

Current receivables, recoverables and payables

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Payments to controlled entities

The total payments to controlled entities are \$31.112m when the grant funding of \$19.842m and expenditure for services provided to Council of \$11.270m are combined.

During the year the Council has entered into several transactions with its associates and jointly controlled entity. These transactions disclosed are within the normal course of business. The nature of these intra-group transactions and the outstanding balances at the year-end are as follows:

INTRA GROUP TRANSACTIONS AND BALANCES - ASSOCIATES AND JOINTLY CONTROLLED ENTITY	2016 \$000	2015 \$000
Dividend received from:		
Wellington International Airport Limited	12,059	12,950
Revenue for services provided by the Council to:		
Wellington Water Limited	-	83
Expenditure for services provided to the Council from:		
Wellington International Airport Limited	2,179	72
Wellington Water Limited	22,348	18,046
	24,527	18,118
Current receivables and recoverables owing to the Council from:		
Wellington Water Limited	-	15
Current payables owed by the Council to:		
Wellington International Airport Limited	-	2
Wellington Water Limited	2,078	293
	2,078	295

Current receivables, recoverables and payables:

The receivable, recoverable and payable balances are non-interest bearing and are to be settled with the relevant entities on normal trading terms and conditions.

Planned and approved future expenditure to related parties

The Council has included in its 2016/17 Annual Plan the extent of operational funding to its controlled entities and other related parties to be as follows:

COUNCIL	2017 ANNUAL PLAN \$000
Controlled entities	
Wellington Cable Car Limited	1,000
Wellington Museums Trust (including Carter Observatory)	8,487
Wellington Regional Economic Development Agency	11,678
Wellington Zoo Trust	3,044
Total controlled entities	24,209
Other related parties	
Basin Reserve Trust	633
Karori Wildlife Sanctuary Trust (Zealandia)	875
Wellington Regional Stadium Trust	5,000
Total other related party commitments	6,508
TOTAL PLANNED AND APPROVED FUTURE EXPENDITURE TO RELATED PARTIES	30,717

NOTE 37: REMUNERATION AND STAFFING

Mayoral and Councillor remuneration

Relevant significant accounting policies

Remuneration of elected members comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops.

Remuneration

The following people held office as elected members of the Council's governing body, during the reporting period. The total remuneration attributed to the Mayor and Councillors during the year from 1 July 2015 to 30 June 2016 was \$1,464,085 (2015: \$1,434,782) and is broken down and classified as follows:

COUNCIL MEMBER	MONETARY REMUNERATION		NON-MONETARY	TOTAL
	SALARY	ALLOWANCES	REMUNERATION	
	\$	\$	\$	
Ahipene-Mercer, Ray	88,985	360	2,200	91,545
Coughlan, Jo	94,450	-	2,200	96,650
Eagle, Paul	94,450	360	2,200	97,010
Foster, Andy	94,450	360	2,200	97,010
Free, Sarah	85,325	360	2,200	87,885
Lee, David	85,325	360	2,200	87,885
Lester, Justin	105,560	360	2,200	108,120
Marsh, Simon	88,985	360	2,200	91,545
Pannett, Iona	94,450	360	2,200	97,010
Peck, Mark	85,325	360	2,200	87,885
Ritchie, Helene	85,325	360	2,200	87,885
Sparrow, Malcolm	85,325	360	2,200	87,885
Wade-Brown, Celia (Mayor)	167,800	-	2,200	170,000
Wolf, Simon	85,325	360	2,200	87,885
Young, Nicola	85,325	360	2,200	87,885
TOTAL REMUNERATION PAID TO COUNCIL MEMBERS	1,426,405	4,680	33,000	1,464,085
			Total monetary remuneration	1,431,085
			Total non- monetary remuneration	33,000

Salary

The Remuneration Authority is responsible for setting the remuneration levels for elected members (Clause 6, Schedule 7 of the Local Government Act 2002). The Council's monetary remuneration (salary) detailed above was determined by the Remuneration Authority. As permitted under the Authority's guidelines the Council has chosen for its elected members to receive an annual salary for the 2015/16 financial year rather than the alternative option of a combination of meeting fee payments and annual salary.

Taxable and non-taxable allowances - broadband services and mobile phones

Councillors are able to choose either of the following two options:

The payment of a communication allowance of \$30 per month; or the reimbursement of any Council related communication costs, over and above any communication costs they would normally incur, payable on receipt of the appropriate documentation required under the provisions of the Remuneration Authority's determination. Both the allowance and reimbursement options are non-taxable. Only the payments under the allowance option have been included as remuneration in the schedule above.

The level of all allowances payable to the Council's elected members has been approved by the Remuneration Authority and is reviewed by the Authority on an annual basis. The Remuneration Authority does permit Council to provide the Mayor with a vehicle for full private use, which would be a taxable benefit; however the current Mayor has declined to take up this option.

Non-monetary

In addition, the Mayor and Councillors receive non-monetary remuneration in relation to car parking space provided. The Councillors have shared office and working space available for use, and access to phones and computers. Professional indemnity and trustee liability insurance is also provided to Councillors against any potential legal litigation which may occur while undertaking Council business.

Community Boards

The Council has two community boards - the Tawa Community Board and the Makara/Ohariu Community Board. Remuneration paid to the elected members of these boards is as follows:

COMMUNITY BOARD MEMBER	SALARY	ALLOWANCES	OTHER	TOTAL
	\$	\$	\$	2016 \$
TAWA COMMUNITY BOARD				
Tredger, Robert (Chair)	17,600	540	-	18,140
Lucas, Margaret (Deputy Chair)	8,800	-	-	8,800
Hansen, Graeme	8,800	-	-	8,800
Herbert, Richard	8,800	-	-	8,800
Lester, Justin (see Councillor remuneration above)	-	-	-	-
Marshall, Jack (includes Youth Council attendance fee)	8,800	-	660	9,460
Sutton, Alistair	8,800	-	-	8,800
Sparrow, Malcolm (see Councillor remuneration above)	-	-	-	-
MAKARA-OHARIU COMMUNITY BOARD				
Grace, Christine (Chair)	9,000	540	-	9,540
Burden, Murray	4,500	-	-	4,500
Liddell, Judy	4,500	-	-	4,500
Rudd, Wayne	4,500	-	-	4,500
Scotts, Margie	4,500	-	-	4,500
Todd, Hamish	4,500	-	-	4,500
TOTAL REMUNERATION TO COMMUNITY BOARD MEMBERS	93,100	1,080	660	94,840

A technology allowance of \$45 per month is available to the chair of both the Tawa and Makara/Ohariu Community Boards. This allowance can be taken as either an allowance or as an actual expense reimbursement. Both options are non-taxable but only payments under the allowance option are included in the above remuneration table.

Malcolm Sparrow was the previous Chair of the Tawa Community Board, before his election to the Council.

Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002.

The table below shows the total remuneration of the Chief Executive paid or payable for the year ended 30 June 2016.

Under the terms of his agreement, the Chief Executive of the Council chooses how he wishes to take his remuneration package (salary only or a combination of salary and benefits).

REMUNERATION OF THE CHIEF EXECUTIVE	COUNCIL	
	2016 \$	2015 \$
Short-term employee benefits		
Salary	413,160	405,000
Motor vehicle park	3,000	3,000
TOTAL REMUNERATION OF THE CHIEF EXECUTIVE	416,160	408,000

Severances

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with the Council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions.

For the year ending 30 June 2016 the Council made severance payments to 18 employees totalling \$226,458 (2015: 13 employees, \$227,468).

The individual values of each of these severance payments are: \$890; \$998; \$2,294; \$3,100; \$4,500; \$4,589; \$5,941; \$6,521; \$6,902; \$8,000; \$11,185; \$13,962; \$20,000; \$23,000; \$25,000, \$28,000; \$29,576; \$32,000.

Employee numbers and remuneration bands

The following table identifies the number of full time employees as at the end of the reporting period and the full time equivalent number of all other part-time, fixed term and casual employees. The table further identifies the breakdown of remuneration levels of those employees into various bands.

	COUNCIL	
	2016	2015
Full-time and full-time equivalent employee numbers		
Full-time employees (based on a 40 hour week) as at 30 June	1,059	1,020
Full-time equivalents for all other non full-time employees	237	244
Remuneration bands		
The number of employees receiving total annual remuneration of less than \$60,000	1105	1,084
The number of employees receiving total annual remuneration of more than \$60,000 in bands of \$20,000		
\$60,000 - \$79,999.99	274	277
\$80,000 - \$99,999.99	178	152
\$100,000 - \$119,999.99	78	84
\$120,000 - \$139,999.99	43	53
\$140,000 - \$159,999.99	35	20
\$160,000 - \$179,999.99	13	13
\$180,000 - \$199,999.99		6
\$180,000 - \$219,999.99*	10	
\$200,000 - \$239,999.99*		6
\$220,000 - \$299,999.99*	7	
\$240,000 - \$319,999.99*		8
\$300,000 - \$419,999.99*	5	
\$320,000 - \$419,999.99*		2
TOTAL EMPLOYEES	1,748	1,705

Of the 1,748 (2014: 1,705) individual employees 685 (2015: 685) work part-time or casually.

Total annual remuneration has been calculated to include any non-financial benefits and other payments in excess of normal remuneration such as the employer KiwiSaver contribution.

* If the number of employees for any band was 5 or less then we are legally required to combine it with the next highest band. This means that some rows span different bands across the two years shown.

Council has resolved that in addition to legislative requirements to disclose the above bandings it has also included the 2 lowest remuneration grades.

GRADE	SALARY RANGE	2016	2015
B1	\$32,620 - \$44,493	152	176
B2	\$32,954 - \$52,045	627	559

The current living wage rate for WCC is \$18.55. Each year the living wage rate for WCC is reviewed in accordance with the CPI rate for salary and wages.

As at 30 June 2016, 77 council staff (excluding apprentices) were being paid under \$18.55 per hour. This reflects the number of trainees we have, who are presently working through a competency based training programme. The intention is that all staff should achieve \$18.55 within a 6 - 12 month period. Whilst the entry point for B2 is \$18.55 (excluding those on training rates) the average for B2 is \$19.84.

NOTE 38: EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events after the end of the reporting period that require adjustment to the financial statements or the notes to the financial statements.

Other Significant Accounting Policies

The following accounting policies are additional to the disclosures and accounting policies that are included within the relevant specific Notes forming part of the financial statements.

BASIS OF PREPARATION

Measurement base

The measurement basis applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in the accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate.

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Exchange and non-exchange transactions

Revenue from exchange transactions

Revenue from exchange transactions arises where the Council provides goods or services to another entity or individual and directly receives approximately equal value in a willing arm's-length transaction (primarily in the form of cash in exchange).

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from a non-exchange transaction arises when the Council receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally considered as an arm's-length commercial transaction between a willing buyer and willing seller. Some goods or services that Council provides (eg the sale of goods at market rates) are defined as being exchange transactions. Only a few services provided by Council operate on a full user pays (eg Parking), cost recovery or breakeven basis and these are considered to be exchange transactions unless they are provided at less than active and open market prices.

Most of the services that Council provides for a fee, are subsidised by rates (eg. The cost to swim in a Council pool) and therefore do not constitute an approximately equal exchange. Accordingly most of Council's revenue is categorised as non-exchange.

Change of accounting policies

There have been no elected changes in accounting policies during the financial period. The first time adoption of the new suite of PBE accounting standards after having previously applied NZ IFRS PBE does not constitute a change in accounting policies.

Change to accounting standards

For the year ending 30 June 2015, the new suite of Public Sector Public Benefit Entity accounting standards was adopted for the first time. From 1 July 2015 a revised suite that included enhanced guidance for Not-for-Profit Public Benefit entities was adopted. The adoption of these revised standards has not had any significant impact on the Group.

Standards, amendments and interpretations issued but not yet effective and early adopted

Standards, amendments and interpretations issued but not yet effective until years ending 31 December 2016 that have been early adopted and which are relevant to the Group are:

2015 Omnibus Amendments to PBE Standards - This standard amends a number of individual PBE Standards to align the PBE Standards with NZ IFRS and IPSAS as a consequence of IASB and IPSASB's annual improvement amendments. There is no obvious difference in these financial statements as a result of early adoption.

Disclosure Initiative (amendments to PBE IPSAS 1) - This standard sets out amendments to PBE IPSAS 1 *Presentation of Financial Statements* and consequential amendments to PBE IPSAS 30 *Financial Instruments: Disclosures* and PBE IAS 34 *Interim Financial Reporting*.

The amendments clarify existing PBE IPSAS 1 requirements that relate to materiality; the order of the notes; subtotals; accounting policies and disaggregation. The obvious differences in these financial statements as a result of early adoption are firstly, a re-ordered set out of financial statements, notes and accounting policies and secondly a number of smaller notes or tables have been left out on the basis of materiality.

Judgements and estimations

The preparation of financial statements using PBE accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables, recoverables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Budget figures

The Annual Plan budget figures included in these financial statements are for the Council as a separate entity. The Annual Plan figures do not include budget information relating to controlled entities or associates. These figures are those approved by the Council at the beginning of each financial year following a period of consultation with the public as part of the Annual Plan process. These figures do not include any additional expenditure subsequently approved by the Council outside the Annual Plan process. The Annual Plan figures have been prepared in accordance with GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- Where classifications have changed between periods
- Where the Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required
- Where there has been a change of accounting policy (There has been no change in the 2015/16 year)

Financial Prudence

The government has introduced the Local Government (Financial Reporting and Prudence) Regulations 2014 which has a series of measures and benchmarks, disclosed in the following pages.

Readers are urged to read the commentary and explanations provided to give context to the information, as it is not always possible to compare Wellington City Councils' results with other councils due to their size, location and provision of services.

During the 2015-25 LTP process and with consultation with ratepayers, the Council revised the number of benchmarks and removed measures that were similar in nature and added no value in understanding of the measures to readers.

Annual report disclosure statement for year ending 30 June 2016

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Unless prescribed by the regulations the quantified limit for each benchmark is calculated using the financial information from the Council's 2015-25 LTP.

RATES AFFORDABILITY BENCHMARK

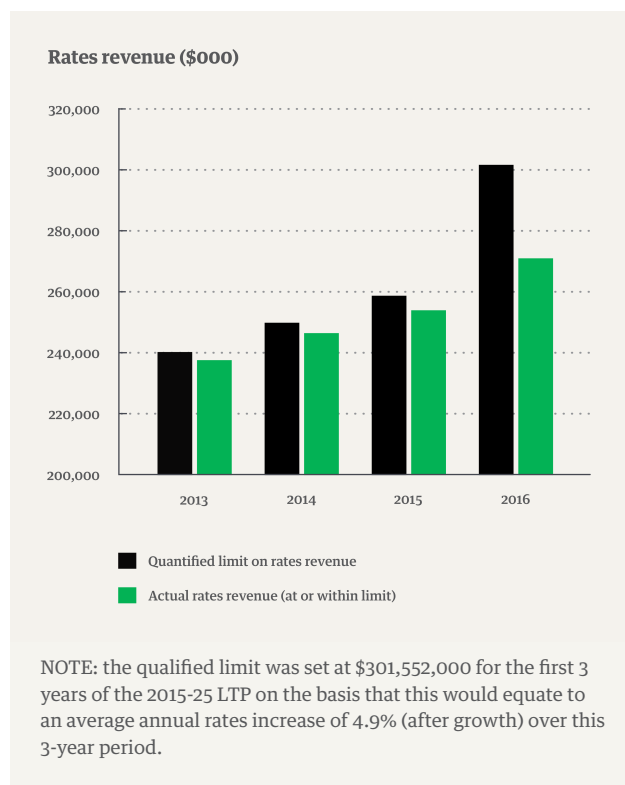
The council meets the rates affordability benchmark if–

- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases

Rates (revenue) affordability

The following graph compares the council's actual rates increases with a quantified dollar limit on rates increases included in the financial strategy included in the council's LTP.

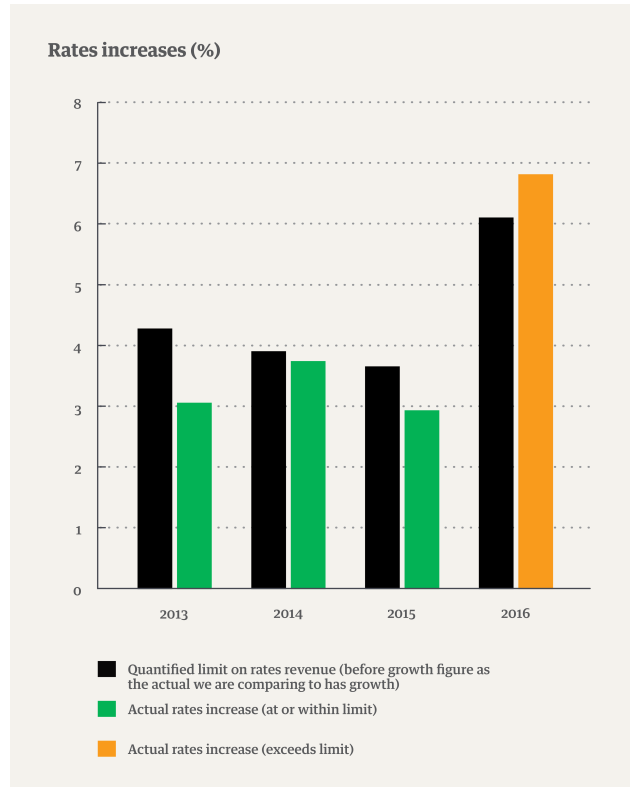
The quantified limit for 2015/16 is \$301,552,000.



Rates (increases) affordability

The following graph compares the council’s actual rates increases with a quantified limit on rates increases included in the financial strategy in the council’s LTP. The quantified limit for 2015/16 is 6.10% before growth and 4.9% after growth.

Actual rates revenue was 0.7% higher than budget due to more water being consumed by the commercial sector than budgeted resulting in higher actual water rates by meter revenue. If water rates by meter revenue was excluded the actual rates increase would be in line with budget.



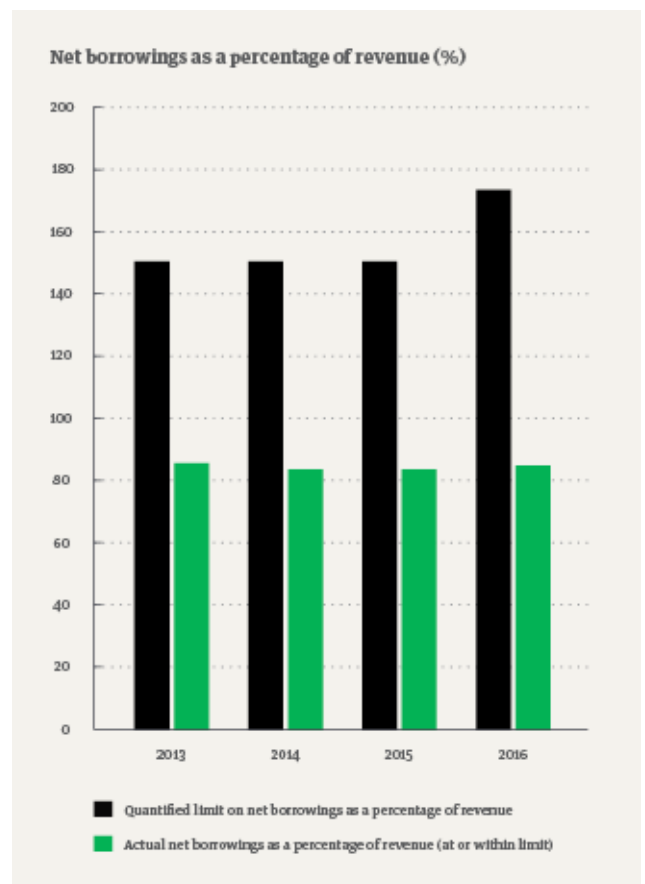
DEBT AFFORDABILITY BENCHMARK

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has seven measures for debt affordability and these are set out below. The suitability of these measures has been assessed by Council’s professional advisers, PwC Wellington.

Net borrowing as a percentage of revenue³⁰

The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s LTP.

The quantified limit is net borrowings, comprised of borrowings less cash and cash equivalents, being less than or equal to 175% of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.

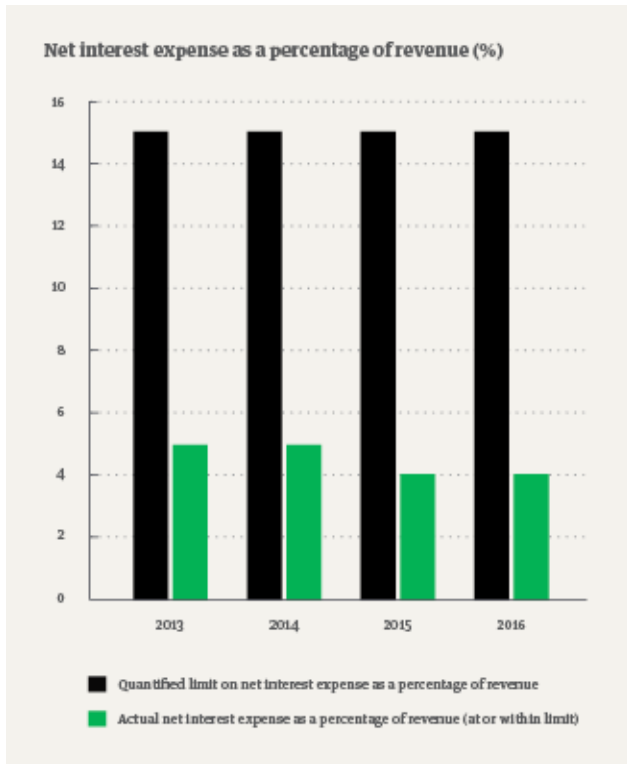


30 The revenue figure used for this calculation of Net Borrowing as percentage of Revenue and Net Interest as a percentage of Revenue is Total Revenue less Vested Assets and Development Contribution Revenue. The Council has also deducted variable capital grants it receives for social housing from these calculations.

Net interest as a percentage of revenue

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's LTP.

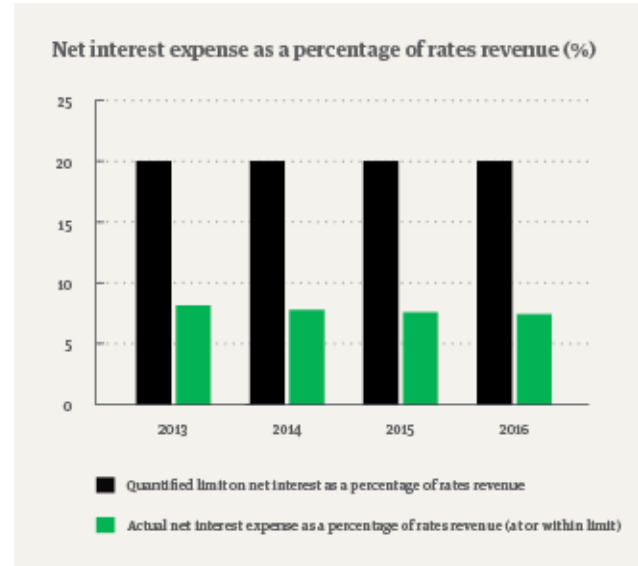
The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 15% of revenue. For this measure revenue is defined as total revenue less vested assets and development contribution revenue.



Net interest as a percentage of annual rates revenue

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's LTP.

The quantified limit is net interest, defined as interest expense less interest revenue, being less than or equal to 20% of annual rates revenue.

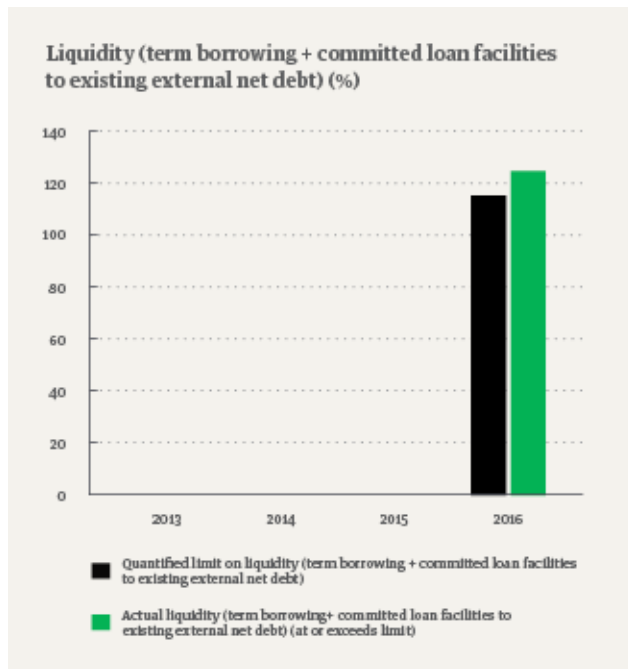


Liquidity (term borrowing + committed loan facilities to existing external net debt)

The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s LTP.

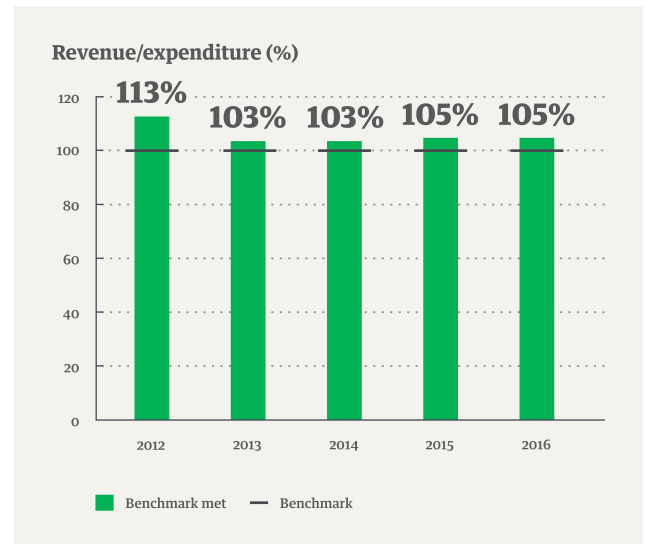
The quantified limit is liquidity being greater than or equal to 115%. For debt affordability, liquidity is the total of Councils existing external net debt. Net borrowings for debt affordability are defined as borrowings less cash and cash equivalents.

NOTE: this measure is new for 2015/16.



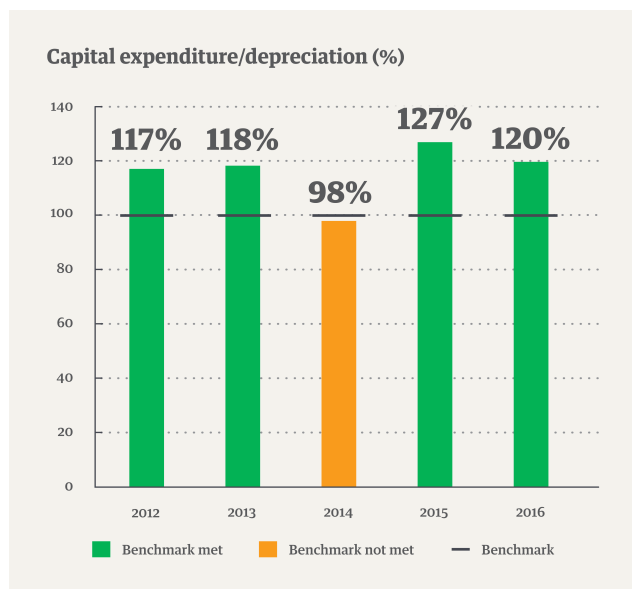
BALANCED BUDGET BENCHMARK

The following graph displays the council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The council meets this benchmark if its revenue equals or is greater than its operating expenses.



ESSENTIAL SERVICES BENCHMARK

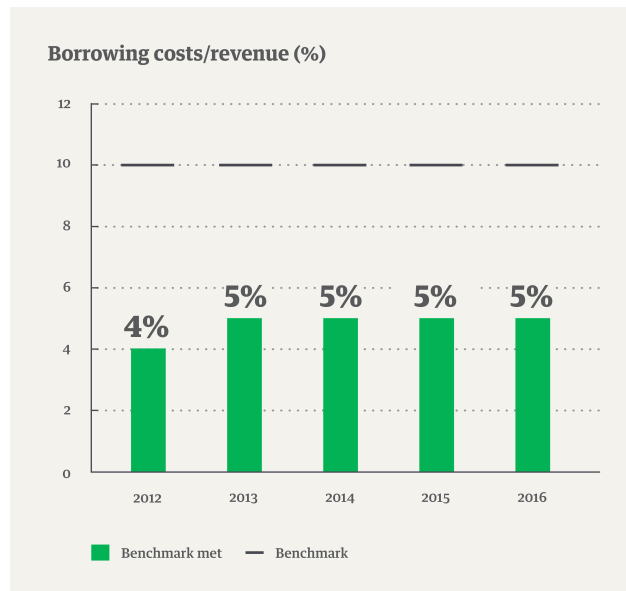
The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Although for 2013/14 it appears to show that the Council has “not met” the benchmark, included within the depreciation figure, there is a depreciation amount for Moa Point Treatment Plant which is under an arrangement where the assets are managed by a third party who will return the assets to the Council in the same condition that they were at the start of the arrangement. Therefore there will be no capital expenditure undertaken by Council in relation to those assets. If the depreciation attributable to those assets were excluded from the calculation, then the benchmark measure would show that the Council had “met” the target by achieving 104% for 2013/14.



DEBT SERVICING BENCHMARK

The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

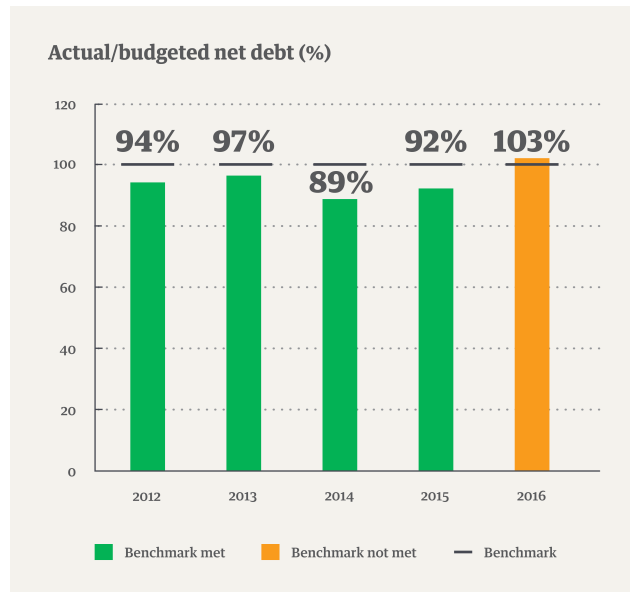


DEBT CONTROL BENCHMARK

The following graph displays the council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

The calculation of net debt includes derivative (non-cash) financial instruments, predominantly cash flow hedges. The 2015/16 net debt was impacted by the valuation of the Council’s cash flow hedge liabilities being higher than planned as a result of interest rate volatility during the financial year. Actual net borrowings at \$396.5m were lower than planned net borrowings of \$415.0m and well below other benchmarks.



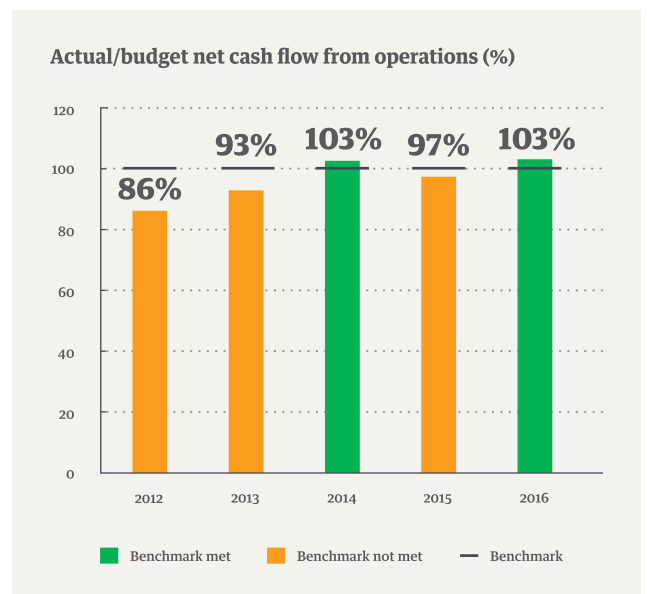
OPERATIONS CONTROL BENCHMARK

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

A number of assumptions are made around the timing of events. Any departure from these assumptions can affect the outcome of this measure.

The Council is satisfied that it is prudently managing operational cash flow, with variances in the 2011/12, 2012/13 and 2014/15 years explained by the timing difference in the receipt of revenues compared to budget that lead to the “not met” outcome for this measure.



Funding Impact Statements

FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 WHOLE OF COUNCIL

	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	134,936	135,486	152,004	152,200
Targeted rates	106,451	106,645	118,903	119,927
Subsidies and grants for operating purposes	7,714	8,020	6,485	7,117
Fees and charges	134,566	121,196	122,218	113,117
Interest and dividends from investments	11,044	15,840	11,013	15,288
Local authorities fuel tax, fines, infringement fees, and other receipts	9,541	7,696	9,255	8,064
Total operating funding (A)	404,252	394,883	419,878	415,713
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	269,637	259,690	280,484	261,895
Finance costs	23,041	22,973	22,961	23,948
Other operating funding applications	28,958	30,793	35,850	53,129
Total applications of operating funding (B)	321,636	313,456	339,295	338,972
Surplus (deficit) of operating funding (A - B)	82,616	81,427	80,583	76,741
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	43,375	33,544	36,026	27,044
Development and financial contributions	2,000	2,077	2,000	2,749
Increase (decrease) in debt	34,964	22,321	41,399	49,604
Gross proceeds from sales of assets	4,050	323	2,650	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	84,389	58,264	82,075	79,397
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	2,558	5,365	2,597	1,076
- to improve the level of service	69,965	56,360	62,680	42,704
- to replace existing assets	79,480	84,752	93,169	102,157
Increase (decrease) in reserves	15,002	(6,786)	4,212	10,201
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	167,005	139,691	162,658	156,138
Surplus (deficit) of capital funding (C - D)	(82,616)	(81,427)	(80,583)	(76,741)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	102,165	98,262	99,797	98,356

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
GOVERNANCE, INFORMATION AND ENGAGEMENT**

1.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	14,214	14,214	16,587	16,587
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	565	654	508	750
Internal charges and overheads recovered	-	494	-	605
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	14,779	15,362	17,095	17,942
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	7,820	8,558	9,713	9,353
Finance costs	15	13	16	15
Internal charges and overheads applied	6,570	7,322	7,308	7,140
Other operating funding applications	313	277	10	12
Total applications of operating funding (B)	14,718	16,170	17,047	16,520
Surplus (deficit) of operating funding (A - B)	61	(808)	48	1,422
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(61)	(63)	(48)	(58)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	(61)	(63)	(48)	(58)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	-	(871)	-	1,364
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	-	(871)	-	1,364
Surplus (deficit) of capital funding (C - D)	(61)	808	(48)	(1,422)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	61	63	48	58

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
MĀORI AND MANA WHENUA PARTNERSHIPS**

1.2	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	225	225	281	281
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	10	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	225	235	281	281
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	214	197	267	255
Finance costs	1	1	1	1
Internal charges and overheads applied	8	2	11	8
Other operating funding applications	-	-	-	8
Total applications of operating funding (B)	223	200	279	272
Surplus (deficit) of operating funding (A - B)	2	35	2	9
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	(2)	(2)	(2)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	-	(2)	(2)	(2)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	2	33	-	7
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2	33	-	7
Surplus (deficit) of capital funding (C - D)	(2)	(35)	(2)	(9)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	2	2	2	2

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
GARDENS, BEACHES AND GREEN OPEN SPACES**

2.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	27,267	27,267	30,360	30,360
Targeted rates	632	632	-	-
Subsidies and grants for operating purposes	671	688	699	669
Fees and charges	1,314	1,887	1,437	1,899
Internal charges and overheads recovered	5,101	5,130	5,111	5,146
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	34,985	35,604	37,607	38,074
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	17,767	19,950	19,285	18,839
Finance costs	1,834	2,411	1,993	1,794
Internal charges and overheads applied	11,520	11,923	12,281	12,067
Other operating funding applications	100	105	120	121
Total applications of operating funding (B)	31,221	34,389	33,679	32,821
Surplus (deficit) of operating funding (A - B)	3,764	1,215	3,928	5,253
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	620	333	650	568
Development and financial contributions	183	353	183	363
Increase (decrease) in debt	411	(613)	(2,129)	(5,089)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	1,214	73	(1,296)	(4,158)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	34	63	70	-
- to improve the level of service	1,180	535	1,121	1,137
- to replace existing assets	1,791	2,541	1,441	1,639
Increase (decrease) in reserves	1,973	(1,851)	-	(1,681)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	4,978	1,288	2,632	1,095
Surplus (deficit) of capital funding (C - D)	(3,764)	(1,215)	(3,928)	(5,253)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	4,042	8,197	3,928	6,934

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
WASTE REDUCTION AND ENERGY CONSERVATION**

2.2	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	404	404	764	764
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	12,926	13,307	12,876	14,387
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	1	-	4
Total operating funding (A)	13,330	13,712	13,640	15,155
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	11,873	11,719	12,126	12,368
Finance costs	1,005	960	877	915
Internal charges and overheads applied	(112)	(29)	56	(36)
Other operating funding applications	5	(1)	255	93
Total applications of operating funding (B)	12,771	12,649	13,314	13,340
Surplus (deficit) of operating funding (A - B)	559	1,063	326	1,815
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	67	(227)	912	402
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	67	(227)	912	402
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	67	67	-	-
- to replace existing assets	709	713	1,238	723
Increase (decrease) in reserves	(150)	56	-	1,494
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	626	836	1,238	2,217
Surplus (deficit) of capital funding (C - D)	(559)	(1,063)	(326)	(1,815)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	435	363	326	321

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
WATER**

2.3	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	25,408	26,605	38,291	38,291
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	13,912	12,764	35	68
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	39,320	39,369	38,326	38,359
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	21,547	21,444	22,501	22,517
Finance costs	2,104	1,697	2,100	2,052
Internal charges and overheads applied	1,522	1,885	1,443	1,618
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	25,173	25,026	26,044	26,187
Surplus (deficit) of operating funding (A - B)	14,147	14,343	12,282	12,172
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	671	341	671	591
Increase (decrease) in debt	2,520	1,426	3,999	2,091
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	3,191	1,767	4,670	2,682
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	358	443	563	570
- to improve the level of service	2,833	2,761	3,038	2,356
- to replace existing assets	9,104	10,061	13,351	12,000
Increase (decrease) in reserves	5,043	2,845	-	(72)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	17,338	16,110	16,952	14,854
Surplus (deficit) of capital funding (C - D)	(14,147)	(14,343)	(12,282)	(12,172)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	14,739	12,090	12,282	12,244

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
WASTEWATER**

2.4	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	36,257	36,257	37,425	37,425
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,227	1,229	1,233	1,204
Internal charges and overheads recovered	-	14	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	37,484	37,500	38,658	38,629
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	21,070	18,971	21,117	18,676
Finance costs	3,577	3,489	3,741	3,635
Internal charges and overheads applied	3,541	3,835	3,525	4,585
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	28,188	26,295	28,383	26,896
Surplus (deficit) of operating funding (A - B)	9,296	11,205	10,275	11,733
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	549	425	549	688
Increase (decrease) in debt	(377)	(1,805)	(343)	(250)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	172	(1,380)	206	438
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	172	177	223	221
- to improve the level of service	-	-	-	-
- to replace existing assets	7,573	7,782	10,258	10,634
Increase (decrease) in reserves	1,723	1,866	-	1,316
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	9,468	9,825	10,481	12,171
Surplus (deficit) of capital funding (C - D)	(9,296)	(11,205)	(10,275)	(11,733)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	13,416	13,459	13,428	13,570

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
STORMWATER**

2.5	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	-	-	-	-
Targeted rates	18,648	18,648	17,442	17,442
Subsidies and grants for operating purposes	120	56	136	69
Fees and charges	9	47	10	26
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	18,777	18,751	17,588	17,537
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	7,432	6,590	7,131	6,603
Finance costs	2,875	2,316	2,904	2,712
Internal charges and overheads applied	1,473	1,555	1,501	1,487
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	11,780	10,461	11,536	10,802
Surplus (deficit) of operating funding (A - B)	6,997	8,290	6,052	6,735
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	58	(12)	58	68
Increase (decrease) in debt	499	(1,233)	(1,654)	(1,335)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	557	(1,245)	(1,596)	(1,267)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	106	188	161	202
- to improve the level of service	451	797	1,501	1,716
- to replace existing assets	3,697	3,836	2,794	2,949
Increase (decrease) in reserves	3,300	2,224	-	601
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	7,554	7,045	4,456	5,468
Surplus (deficit) of capital funding (C - D)	(6,997)	(8,290)	(6,052)	(6,735)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	6,997	6,066	6,052	6,134

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
CONSERVATION ATTRACTIONS**

2.6	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	6,126	6,126	6,459	6,459
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	6,126	6,126	6,459	6,459
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	138	126	214	119
Finance costs	755	691	748	694
Internal charges and overheads applied	264	264	286	284
Other operating funding applications	3,632	3,632	3,689	3,769
Total applications of operating funding (B)	4,789	4,713	4,937	4,866
Surplus (deficit) of operating funding (A - B)	1,337	1,413	1,522	1,593
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	129	802	126	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	387	483	(332)	1,207
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	516	1,285	(206)	1,207
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	516	2,398	516	1,859
- to replace existing assets	278	278	800	866
Increase (decrease) in reserves	1,059	22	-	75
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	1,853	2,698	1,316	2,800
Surplus (deficit) of capital funding (C - D)	(1,337)	(1,413)	(1,522)	(1,593)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,337	1,391	1,522	1,518

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
CITY PROMOTIONS AND BUSINESS SUPPORT**

3.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	5,207	5,207	4,610	4,610
Targeted rates	15,012	15,012	15,226	15,226
Subsidies and grants for operating purposes	-	255	-	-
Fees and charges	14,035	668	14,365	762
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	34,254	21,142	34,201	20,598
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	26,079	11,610	21,483	7,357
Finance costs	710	679	736	682
Internal charges and overheads applied	1,848	1,026	939	603
Other operating funding applications	7,553	8,270	12,248	14,122
Total applications of operating funding (B)	36,190	21,585	35,406	22,764
Surplus (deficit) of operating funding (A - B)	(1,936)	(443)	(1,205)	(2,166)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	1,165	3,420	(87)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	-	1,165	3,420	(87)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	1,341	2,268	2,215	1,669
Increase (decrease) in reserves	(3,277)	(1,546)	-	(3,922)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	(1,936)	722	2,215	(2,253)
Surplus (deficit) of capital funding (C - D)	1,936	443	1,205	2,166
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	1,618	1,730	1,795	1,756

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
ARTS AND CULTURE ACTIVITIES**

4.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	11,947	11,947	13,008	13,008
Targeted rates	5,243	5,243	5,148	5,148
Subsidies and grants for operating purposes	430	382	410	171
Fees and charges	583	638	577	704
Internal charges and overheads recovered	72	72	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	18,275	18,282	19,143	19,031
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,510	4,737	4,072	3,993
Finance costs	211	171	276	170
Internal charges and overheads applied	1,049	995	1,024	980
Other operating funding applications	12,680	12,408	13,101	13,211
Total applications of operating funding (B)	17,450	18,311	18,473	18,354
Surplus (deficit) of operating funding (A - B)	825	(29)	670	677
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	1,914	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	26	1,533	(363)	1,195
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	26	1,533	1,551	1,195
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	26	2,370	2,119	1,927
- to replace existing assets	1	1	102	41
Increase (decrease) in reserves	824	(867)	-	(96)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	851	1,504	2,221	1,872
Surplus (deficit) of capital funding (C - D)	(825)	29	(670)	(677)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	825	838	670	773

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
RECREATION PROMOTION AND SUPPORT**

5.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	24,001	24,001	25,083	25,083
Targeted rates	1,039	1,039	1,088	1,088
Subsidies and grants for operating purposes	398	277	200	332
Fees and charges	11,483	10,617	11,547	10,971
Internal charges and overheads recovered	1,051	1,036	1,116	1,088
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	37,972	36,970	39,034	38,562
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	16,950	17,494	17,953	18,459
Finance costs	3,725	3,477	3,615	3,310
Internal charges and overheads applied	9,411	9,635	9,214	8,966
Other operating funding applications	650	677	663	589
Total applications of operating funding (B)	30,736	31,283	31,445	31,324
Surplus (deficit) of operating funding (A - B)	7,236	5,687	7,589	7,238
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	302	-	203
Increase (decrease) in debt	457	(1,002)	736	(2,027)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	457	(700)	736	(1,824)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	123	-	-	-
- to improve the level of service	334	443	1,476	2,123
- to replace existing assets	2,564	6,260	6,849	3,681
Increase (decrease) in reserves	4,672	(1,716)	-	(390)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	7,693	4,987	8,325	5,414
Surplus (deficit) of capital funding (C - D)	(7,236)	(5,687)	(7,589)	(7,238)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	7,324	7,491	7,589	7,628

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
COMMUNITY SUPPORT**

5.2	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	21,755	21,755	22,792	22,792
Targeted rates	4,179	4,179	4,250	4,250
Subsidies and grants for operating purposes	1,296	1,045	969	1,240
Fees and charges	22,057	22,760	22,869	23,112
Internal charges and overheads recovered	1,287	1,554	1,171	1,231
Local authorities fuel tax, fines, infringement fees, and other receipts	659	526	586	498
Total operating funding (A)	51,233	51,819	52,637	53,123
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	26,166	26,477	26,470	26,185
Finance costs	(725)	(1,809)	(1,632)	(2,468)
Internal charges and overheads applied	10,410	11,142	11,542	11,701
Other operating funding applications	3,160	3,036	4,084	3,911
Total applications of operating funding (B)	39,011	38,846	40,464	39,329
Surplus (deficit) of operating funding (A - B)	12,222	12,973	12,173	13,794
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	32,036	13,388	20,668	11,254
Development and financial contributions	-	57	-	38
Increase (decrease) in debt	250	(20,498)	(3,771)	3,239
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	32,286	(7,053)	16,897	14,531
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	83
- to improve the level of service	32,284	13,453	26,139	12,142
- to replace existing assets	6,915	7,988	8,763	7,427
Increase (decrease) in reserves	5,309	(15,521)	(5,832)	8,673
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	44,508	5,920	29,070	28,325
Surplus (deficit) of capital funding (C - D)	(12,222)	(12,973)	(12,173)	(13,794)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	15,730	15,146	15,318	13,646

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
PUBLIC HEALTH AND SAFETY**

5.3	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	8,266	8,266	9,540	9,540
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	25	17	25	17
Fees and charges	3,962	3,921	3,993	4,053
Internal charges and overheads recovered	676	699	664	692
Local authorities fuel tax, fines, infringement fees, and other receipts	52	42	39	30
Total operating funding (A)	12,981	12,945	14,261	14,332
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	8,284	8,443	9,012	8,971
Finance costs	76	77	91	131
Internal charges and overheads applied	3,980	4,096	4,386	4,529
Other operating funding applications	129	26	129	45
Total applications of operating funding (B)	12,469	12,642	13,618	13,676
Surplus (deficit) of operating funding (A - B)	512	303	643	656
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	6	-	-
Development and financial contributions	-	9	-	6
Increase (decrease) in debt	206	386	1,028	(255)
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	206	401	1,028	(249)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	206	105	110	78
- to replace existing assets	1,104	934	1,561	736
Increase (decrease) in reserves	(592)	(335)	-	(407)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	718	704	1,671	407
Surplus (deficit) of capital funding (C - D)	(512)	(303)	(643)	(656)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	527	653	643	1,063

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
URBAN PLANNING, HERITAGE AND PUBLIC SPACES DEVELOPMENT**

6.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	7,098	7,098	6,896	6,896
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	67	-	-
Fees and charges	3,922	113	20	323
Internal charges and overheads recovered	310	-	-	384
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	11,330	7,278	6,916	7,603
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	7,775	1,995	2,857	4,416
Finance costs	573	12	15	13
Internal charges and overheads applied	3,040	2,483	3,233	2,192
Other operating funding applications	490	466	800	842
Total applications of operating funding (B)	11,878	4,956	6,905	7,463
Surplus (deficit) of operating funding (A - B)	(548)	2,322	11	140
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	2,016	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,429	16,905	7,607	5,370
Gross proceeds from sales of assets	2,050	-	650	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	3,479	18,921	8,257	5,370
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,429	16,259	5,702	4,630
- to replace existing assets	3,267	2,673	2,566	768
Increase (decrease) in reserves	(1,765)	2,311	-	112
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	2,931	21,243	8,268	5,510
Surplus (deficit) of capital funding (C - D)	548	(2,322)	(11)	(140)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	4,305	11	11	28

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
BUILDING AND DEVELOPMENT CONTROL**

6.2	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	7,319	7,319	9,449	9,449
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	12,655	11,308	12,027	11,739
Internal charges and overheads recovered	224	103	224	-
Local authorities fuel tax, fines, infringement fees, and other receipts	24	31	24	65
Total operating funding (A)	20,222	18,761	21,724	21,253
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	12,991	12,942	12,655	12,508
Finance costs	-	3	3	3
Internal charges and overheads applied	6,971	7,027	8,761	7,979
Other operating funding applications	135	27	135	57
Total applications of operating funding (B)	20,097	19,999	21,554	20,547
Surplus (deficit) of operating funding (A - B)	125	(1,238)	170	706
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	4	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	17,651	3,880	5,770	2,070
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	17,651	3,884	5,770	2,070
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	17,651	4,036	5,940	2,224
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	125	(1,390)	-	552
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	17,776	2,646	5,940	2,776
Surplus (deficit) of capital funding (C - D)	(125)	1,238	(170)	(706)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	125	152	170	154

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
TRANSPORT**

7.1	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	29,503	29,503	32,648	32,648
Targeted rates	33	33	33	-
Subsidies and grants for operating purposes	4,774	5,233	4,046	4,076
Fees and charges	2,100	1,640	2,042	2,520
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	36,410	36,409	38,769	39,244
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	12,530	12,627	12,189	11,659
Finance costs	4,774	4,199	5,169	5,055
Internal charges and overheads applied	5,785	5,097	6,093	5,085
Other operating funding applications	10	(10)	515	1,859
Total applications of operating funding (B)	23,099	21,913	23,966	23,658
Surplus (deficit) of operating funding (A - B)	13,311	14,496	14,803	15,586
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	10,590	16,995	12,668	12,765
Development and financial contributions	539	602	539	792
Increase (decrease) in debt	9,418	11,277	10,563	6,507
Gross proceeds from sales of assets	-	(91)	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	20,547	28,783	23,770	20,064
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	1,765	4,494	1,580	-
- to improve the level of service	10,968	13,003	11,199	11,077
- to replace existing assets	24,979	23,892	25,794	24,114
Increase (decrease) in reserves	(3,854)	1,890	-	459
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	33,858	43,279	38,573	35,650
Surplus (deficit) of capital funding (C - D)	(13,311)	(14,496)	(14,803)	(15,586)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	22,285	21,580	22,646	22,970

**FUNDING IMPACT STATEMENT - 1 JULY 2015 TO 30 JUNE 2016 FOR:
PARKING**

7.2	2014/15 AP \$000	2014/15 ACTUAL \$000	2015/16 LTP \$000	2015/16 ACTUAL \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	(14,086)	(14,086)	(14,051)	(14,051)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	18,316	19,623	19,899	20,568
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7,706	6,019	7,556	5,875
Total operating funding (A)	11,936	11,556	13,404	12,392
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	9,850	8,145	10,346	9,017
Finance costs	17	437	479	347
Internal charges and overheads applied	1,593	1,522	1,987	1,949
Other operating funding applications	1	455	1	281
Total applications of operating funding (B)	11,461	10,559	12,813	11,594
Surplus (deficit) of operating funding (A - B)	475	997	591	798
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	30	(570)	858	675
Gross proceeds from sales of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding (C)	30	(570)	858	675
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	30	-	1,449	1,342
- to replace existing assets	150	89	-	-
Increase (decrease) in reserves	325	338	-	131
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding (D)	505	427	1,449	1,473
Surplus (deficit) of capital funding (C - D)	(475)	(997)	(591)	(798)
Funding balance ((A - B) + (C - D))	-	-	-	-
Expenses for this activity grouping include the following depreciation/amortisation charge	475	659	591	667

CAPITAL EXPENDITURE AND CARRY FORWARDS BY STRATEGY

	2014/15 ACTUAL	2015/16 LTP	2015/16 ACTUAL	2015/16 CARRY FORWARD TO 2016/17	2015/16 CARRY FORWARD BEYOND 2016/17
	\$000	\$000	\$000	\$000	\$000
GOVERNANCE					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	116	-	-	-
Governance Total	-	116	-	-	-
ENVIRONMENT					
- to meet additional demand	871	1,087	993	23	-
- to improve the level of service	6,558	9,950	7,068	844	-
- to replace existing assets	25,211	26,960	28,811	1,167	-
Environment Total	32,640	37,997	36,872	2,034	-
ECONOMIC DEVELOPMENT					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	2,268	1,742	1,669	749	-
Economic Development Total	2,268	1,742	1,669	749	-
CULTURAL WELLBEING					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	2,370	25	1,927	43	-
- to replace existing assets	1	2	41	60	-
Cultural Wellbeing Total	2,371	27	1,968	103	-
SOCIAL AND RECREATION					
- to meet additional demand	-	822	83	-	-
- to improve the level of service	14,001	27,190	14,343	842	13,799
- to replace existing assets	15,182	13,673	11,844	6,365	-
Social and Recreation Total	29,183	41,685	26,270	7,207	13,799
URBAN DEVELOPMENT					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	20,295	15,083	6,854	3,544	5,407
- to replace existing assets	2,673	979	768	1,610	1,224
Urban Development Total	22,968	16,062	7,622	5,154	6,631
TRANSPORT					
- to meet additional demand	4,494	-	-	-	-
- to improve the level of service	13,003	20,448	12,419	1,367	2,390
- to replace existing assets	23,981	20,872	24,114	720	1,018
Transport Total	41,478	41,320	36,533	2,087	3,408
COUNCIL					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	133	16,304	93	1,903	-
- to replace existing assets	15,436	17,269	34,910	4,921	-
Council Total	15,569	33,573	35,003	6,824	-
TOTAL COUNCIL					
- to meet additional demand	5,365	1,909	1,076	23	-
- to improve the level of service	56,360	89,000	42,704	8,543	21,596
- to replace existing assets	84,752	81,613	102,157	15,592	2,242
TOTAL COUNCIL TOTAL	146,477	172,522	145,937	24,158	23,838

Appendices



Glossary

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

Associates and Jointly Controlled Entities - are entities that the Council owns a share of but does not control. Our share of the Associate's or Jointly Controlled Entities' net surpluses or deficits and net assets is recorded in the Group financial statements. The Council's Associates are; Chaffers Marina Holding Limited (10.52%) and Wellington International Airport Limited (34%), and its Jointly Controlled Entity is Wellington Water Limited (42.11%).

Capital expenditure - expenditure on assets that provide a long term ongoing benefit to the Council, usually fixed assets (property, plant and equipment), for example buildings.

Cash and cash equivalents - includes cash as well as deposits which mature in three months or less.

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

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

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

External funding for capital expenditure - funding recorded as revenue but used to fund capital expenditure projects.

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

Investment properties - these are properties primarily held by the Council to earn rental revenue.

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

Long-term Plan - A 10-year forecast prepared every three years showing the expected cost of running the city for the following 10 years and how the costs will be funded.

Net borrowings - total borrowings less any funds held on deposit.

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

Operational expenditure - expenditure that is not capital expenditure (see capital expenditure).

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

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

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

Underlying funding surplus/deficit - the portion of the overall net surplus/deficit that has arisen from changes to operating revenue operational expenditure as compared to budget.

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

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

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Independent auditor's report



To the readers of Wellington City Council and group's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Wellington City Council (the City Council) and group. The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the City Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information); and
- report on whether the City Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.
- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on page 260 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council and group's Long-term plan; and
- the funding impact statement for each group of activities on pages 243 to 259, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council and group's long-term plan.

OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 143 to 234;
 - present fairly, in all material respects:
 - the City Council and group's financial position as at 30 June 2016; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards;
- the funding impact statement on page 242, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council and group's Long-term plan;
- the statement of service performance as presented in; Statements of Service Provision on pages 22 to 113, Measuring Our Performance on pages 114 to 130 and the explanation tables on pages 131 to 134;
 - presents fairly, in all material respects, the City Council and group's levels of service for each group of activities for the year ended 30 June 2016, including:

COMPLIANCE WITH REQUIREMENTS

The City Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 144 to 259 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and group's audited information.

Our audit was completed on 28 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service performance within the City Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the City Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

INDEPENDENCE

When carrying out our audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, an audit of the City Council and group's LTP amendment, an independent assurance review under the City Council and group's Debenture Trust Deed, and a review of the revenue and expenditure of the Clifton Terrace car park managed by the City Council and group on behalf of the New Zealand Transport Agency, we have no relationship with, or interests, in the City Council or any of its subsidiaries.



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

DIRECTORY

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

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