

Whakarāpopototanga  
Summary

2021/2022

Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Pōneke

# Te Pūrongo ā-Tau Annual Report



# Ihirangi

## Contents

### **Nau mai, haere mai** Welcome

**He kupu nā te Kahika**  
Message from our Mayor

**He kupu nā te Tumu Whakarae**  
Message from our Chief Executive

## 01

### **Wāhanga tuatahi: Tō Tātou Tāone Nui** Section 1: Our city

**Kāhua Tāone**  
City profile

**Nga kaupapa hapori 2021/2022**  
Community events 2021/2022

## 02

### **Wāhanga tuarua: Ā mātou kaiārahi me te anga rautaki**

**04** Section 2: Our leaders and  
strategic direction

**06** **Tō mātou anga rautaki**  
Our strategic direction

**Ā mātou mahi**  
Our role

**Tō tātou Kahika me ngā Kaikaunihe ra**  
Our Mayor and Councillors

**08** **Tō tātou Tira Kaiārahi Matua**  
Our Executive Leadership Team

**09**

**13**

## 03

### **Wāhanga tuatoru: Whakarāpopototanga o tō mātou tau**

**16** Section 3: Summary of our year

**17** **Te urupare hurihanga āhuarangi**  
Climate change response

**20** **Te āhua o ngā mahi**  
Our performance

**21** **Ngā kaupapa me ngā hōtaka matua**  
Key projects and programmes

**24**

## 04

### **Wāhanga tuawha: Ā mātou pūtea**

**39** Section 4: Our finances

**40** **Tirohanga whānui o ā mātou pūtea**  
Overview of our finances

### **Te Pūrongo a te Kaitātari Motuhake**

**59** Independent Auditor's Report

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

# Nau mai, haere mai

## Welcome

### Nau mai ki tā mātou tirohanga rāpopoto o te tau 2021/22. Welcome to our snapshot of the 2021/22 year.

This Annual Report describes how the Wellington City Council and the Council-controlled organisations (CCOs) performed in the 2021/22 financial year. Included in this report are the key projects, programmes and services we delivered that are contributing to Wellington being the capital we want it to be.

The period covered is from 1 July 2021 to 30 June 2022. It reports against our 2021-31 Long-term Plan and fulfils our obligations under the Local Government Act 2002 – to report our past year’s highlights, performance results and budget to our residents, stakeholders and community.

The theme for this year’s report is “He tāone e whakaumu ana – a city in transition”. This year, we have focused strongly on responding to the COVID-19 pandemic as well as planning the necessary changes to build on our city’s strengths and become an environmentally conscious, socially connected, innovative and vibrant capital city.

This Annual Report 2021/22 was adopted by the Council on 15 December 2022, and received an unmodified opinion on the audited information, except for the statements of service provision.

A qualified opinion was received for the measurement of Wellington City Council Group Greenhouse Gas Emissions (page 67 of Volume 1 of the full report) and the Total number of complaints received for Water services – Water supply, Waste water and Stormwater (pages 68, 69 and 70 of Volume 1 of the full report), and performance information for 30 June 2021 for maintenance of the reticulation network – Water supply.

Copies of the full Annual Report 2021/22 and the summary are available to view at Council offices, libraries, or at [wellington.govt.nz](https://www.wellington.govt.nz).

### We acknowledge mana whenua

Through the signing of Tā kai Here, we as a council have forged stronger partnerships with our Mana Whenua here in Te Whanganui ā Tara. This partnerships agreement allows for a stronger governance relationship and

sets out the principles, values, and priorities for the way in which we work together. The signing of the document took place 182 years to the day that Te Tiriti was signed here in Te Whanganui ā Tara, acknowledging the creation of a new partnership.

Through Tā kai Here, we work in partnership with:

- Taranaki Whānui Ki Te Upoko o Te Ika (Port Nicholson Block Settlement Trust)
- Te Rūnanga o Toa Rangatira
- Te Rūnanganui o Te Āti Awa Ki Te Upoko o Te Ika a Māui

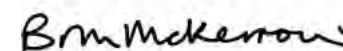
We also have relationships with the Te Aro Pā Trust and the Wellington Tenths Trust.

### We acknowledge Te Tiriti o Waitangi

We recognise that Te Tiriti o Waitangi forms the underlying foundation of the Council and mana whenua relationship, and that the Council acts in accordance with Te Tiriti o Waitangi.



**Tory Whanau**  
Mayor  
15 December 2022



**Barbara McKerron**  
Chief Executive  
15 December 2022



**Sara Hay**  
Chief Financial Officer  
15 December 2022

## He kupu nā te Kahika

He koanga ngākau te kite i te hihiritanga o te tāone e hoki haere mai ana i muri i te hikinga o ngā herenga KOWHEORI-19.

Engari me maumahara tonu, he nui ngā āhuatanga kāore i kitea i ngā tau e rua me te hāwhe kua taha atu. I pā kinotia ā tātou rāngai manaaki, whakahaere kaupapa, hoko rawa hoki, e te KOWHEORI-19, te pānga o te mautohe roa i te Whare Pāremata, me ngā āwangawanga mō te haumarutanga o te pokapū tāone.

*He tāone e whakaumu ana*, koinei te kaupapa o te pūrongo o tēnei tau, otirā e kapi ana te āhua o te whakatau i ēnei wero, me te kawenga o ngā whakaumu, ina koa ngā pahi, ngā ara pahikara me ētahi atu tūnuku, te mahi whakatau āhuarangi me te manawaroatanga, ā, me te tipunga o te tāone.

### Te tau kua mahue ake nei

I te wā e whakawhanake ana i te Mahere Tiro-roa, i kī mai koutou me arotahi mātou ki ngā paipa wai, te whanaketanga ā-tāone, te nekeneke haere, te haumarutanga o te pokapū tāone, me te whakaoho i te hihiritanga o ngā wāhi tūmatanui.

I runga anō i tēnei whakaaro, kua whakatuwheratia mai te St James Theatre i te Hune, kua tīmata te whakapakaritanga me

te whakahoutanga o Te Whare Pukapuka o Te Matapihi, otirā me te whakahoutanga hoki i te Town Hall.

I tēnei tau hoki:

- i whakapaihia ake te haumarutanga o te tāone, i runga i te kaupapa o te Pōneke Promise
- i whakaaetia tētahi Mahere Whatunga Kākāriki hou, e hangaia ai ētahi papa rēhia tāone hou e rua, me te rearua i te nui o nga rākau i te pokapū tāone
- i hangaia he Rautaki Oranga Ohaoha, e aro ana ki te whakapiki i ngā pakaritanga ā-ohaoha i te wā e whai whakaarotia ana hoki ngā take taiao whānui, me te tiaki, te whakarākei hoki i te kounga ora o tō tātou tāone, otirā kei runga noa atu i te ao
- i whiriwhiri kōrero mō tō mātou Mahere ā-Rohe hukihuki – otirā ka whai wāhi ō tonu ki te mahere e marohitia ana kia whiriwhiritia hei te hiku o te 2022; ā,
- kua whakatūturutia tētahi huarahi hou ki te Rapu Kāinga i te Tāone, kia toitū ai taua kaupapa i muri nei.

### Te whakanui i tō tātou tāone

I te mutunga iho, ko te tangata te mea nui.

I ngā wā kōtonga, pērā i te mautohe i te Pāremata, e whakaatu ana te tokomaha o tātou i ō tātou āhuatanga pai rawa. E whakatītina ana mātou e ngā waiaro o te tokomaha o ā mātou kaimahi, i kaha tonu te mahi ki te uruhi i ngā tūnga waka, i ngā take toronga ā-hapori rānei i taua wā.

Ahakoia he tau uaua anō tēnei, e aro tonu ana ki tō tātou tūruapō mō te anamata – he tāone matua kauawhi, toitū, auaha hoki, e noho ana, e mahi ana, e ngahau ana ā mātou tāngata.



**Andy Foster**  
Kahika o Pōneke

## Message from our Mayor



It is a pleasure to watch our city's vibrancy returning now COVID-19 restrictions have lifted.

However, we must remember that we've missed so much over the past two and a half years. Our hospitality, event and retail sectors have been hard hit by COVID-19, the impact of the prolonged protest at Parliament, and concerns about safety in the central city.

*He tāone e whakaumu ana – a city in transition*, which is the theme for this year's report, encompasses how we face these challenges and move through the change, especially around buses, cycleways and other transport, climate action and resilience, and growth of the city.

### The year that was

While developing the 2021–31 Long-term Plan, you said you wanted us to focus on pipes, urban development, getting around, safety in the central city, and re-activating the vibrancy of our public places.

In line with this, we've reopened the St James Theatre in June, started the strengthening and modernisation of Te Matapihi Central Library, and continued the Town Hall upgrade.

This year we also:

- improved city safety through the first year of the Pōneke Promise initiative
- approved a new Green Network Plan, through which we will create two new urban parks and double the number of trees in the central city
- created an Economic Wellbeing Strategy, which focuses on building our economic strengths while considering wider environmental issues and maintaining and enhancing our city's world leading quality of life
- consulted on our draft District Plan – your submissions will inform a final proposed plan for consultation in late 2022; and
- confirmed a new approach to City Housing to ensure it has a sustainable future.

### Celebrating our city

Ultimately, everything is about our people.

In adversity, such as during the protest at Parliament, many of us can and are showing the best of ourselves. We were heartened by the attitudes of many to our staff who continued to work in parking enforcement or community outreach during that time.

Overall, despite another challenging year, we continue to focus on our vision for the future – a inclusive, sustainable and creative capital in which our people live, work and play.

**Andy Foster**  
Mayor of Wellington

## He kupu nā te Tumu Whakarae

### Ko te tau pūtea o mua (2021/22) taku tau pūtea matua tuarua hei Tumu Whakarae, me te tuarua i kitea ngā whakararu nui ki ō tātou ao o ia rā.

E poho kererū ana ahau ki te āhua o te urupare me te urutau a tā mātou rōpū whakahaere ki te taiao KOWHEORI me ngā uauatanga i hua ake i te mautohe i te Pāremata. Ahakoa ngā wero i mua i a mātou, he nui tonu ā mātou whakarato i tēnei wā, engari he nui noa atu ngā mahi.

Me whakamahere tātou mō ngā pānga o te taupori e tipu tonu ana, me urupare ki te huringa āhuarangi, me whakautu i te pakeketanga o ngā tūāhanga, me whakapiki i te aumangea rū o tō tātou taiao hanga nui, me whakapiki i te nui o ngā whare ngāwari te utu, me kake whakarunga tonu i te wairua auaha o Te Whanganui-a-Tara, me te mahi

ngātahi ki te āwhina i te huamakotanga o tō tātou ōhanga.

E aro tonu ana ahau ki te hoahoa i tō tātou tāone mō tētahi anamata angitu mā te hanga haere tonu i tō mātou rōpū whakahaere, otirā e manawanui ana au e pai ana te tūranga o Te Kaunihera o Pōneke ki te whakarato i ngā hiahia o te tāone hei ngā tau e tū mai nei.

#### Te āhua o ngā mahi

Koinei te tau tuatahi o te pūrongo atu mā tā mātou anga mahi o tā mātou Mahere Tiro-roa 2021–31. Mā tēnei anga hou, kua whakapiki mātou i te pūataatanga otirā kua aro ki te pūrongo i ngā kaupapa whai take.

E pakari tonu ana ā mātou mahi i roto i ngā wāhanga o te whakamahi, me te kounga o ā mātou ratonga. E whakaatu ana tētahi i te hua nui o ā mātou ratonga ki ō mātou hapori – mai i ngā whare pukapuka, ngā ara hikoi me ngā papa rēhia, tae atu ki te muku i ngā tuinga karawhiti, te whakatika ara hikoi me te whakapai i ngā horonga whenua.

E mōhio ana mātou ki te hiahia kia haere tonu ngā mahi whakapiki i ngā tauine whakahei, ā-tirohanga hoki o te hunga o Pōneke, otirā ka mahi ngātahi me te Kaunihera hou e tutuki ai tēnei. He iti noa te whai piro o ēnei tauine i ngā tau kua hipa, otirā e hono atu ai ki te whakaurunga ki ngā whakatau take me te whakawhiti kōrero, te whakatau utu, ngā wāhanga rānei o ngā ratonga i whakararuhia i tēnei tau.

#### Ngā Pūtea

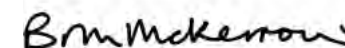
He mea whakatau te mahere pūtea o te Mahere Tiro-Roa 2021–31 i te wā e rehurehu tonu ana ngā pānga mauroa o te urutā KOWHEORI-19 me te pānga o te whakaoranga mai o te tāone.

I tēnei tau i wheako tonu i ngā wero ki ngā matapae whiwhi moni, pērā ki ētahi atu pakihiki hoki. I whai pānga hoki tā mātou tūranga ahumoni i te whakarato pūtea tautoko ki ngā rāngai manaaki, hokohoko me ētahi atu rāngai pakihiki i taumahatia e te KOWHEORI-19 me te mautohe i te Pāremata.

#### He tāone e whakaumu ana

He tāone e whakaumu ana – i whakapau kaha i tēnei tau ki te whakarite i ngā mahere kia noho rite a Pōneke hei tāone matua mō te anamata. Hei nga tau e haere ake nei, ka kite te iwi o Pōneke i ngā hua o ēnei mahere.

Ko te kaupapa o te pūrongo o tēnei tau ko he tāone e whakaumu ana. Ko te panoni ā-tāone whānui he omanga roa ehara i te oma wawe. Me manawanui, me manawa tīti e tutuki ai ngā whāinga ki te 2040 – otirā he tāone matua kauawhi, toitū, auaha hoki, e noho ana, e mahi ana, e ngahau ana ā mātou tāngata.



**Barbara McKerron**  
Tumu Whakarae

## Message from our Chief Executive



The last financial year (2021/22) was my second full financial year as Chief Executive and the second in which we all faced significant disruptions to everyday life.

I am proud of how our organisation has responded and adapted to the COVID-19-impacted environment and the challenges presented by the Parliament protest. Despite the challenges we have faced, we have delivered a lot in this time but there is more to do.

We must plan for the effects of a growing population, respond to climate change, address aging infrastructure, increase the seismic resilience of our built environment, grow the supply of affordable housing, keep building Wellington's creative vibe, and work with businesses to ensure our economy thrives.

I remain focused on shaping our city for a successful future by continuing to build our organisation and I am confident Te Kaunihera o Pōneke (Wellington City Council) is well positioned to deliver what the city needs in the years ahead.

### Performance

This is the first year of reporting against our 2021-31 Long-term Plan performance framework. With this new framework, we

have increased transparency and focused our reporting on what really matters.

We continue to perform consistently high in areas of utilisation and the quality of our services. This shows that the services we offer are valued by our communities – from our libraries, tracks and parks to graffiti removal, footpath repairs and slip clean ups.

We recognise we need to continue to work to improve Wellingtonians' satisfaction and perception measures and we will work closely with the new Council on this. These measures have scored low for several years and are often linked to involvement in decision making and engagement, fee setting, or areas of our services where there was disruption during the year.

### Finances

The 2021-31 Long-term Plan budget was set when the long-term impacts of the COVID-19 pandemic and the impact on the city's recovery was still unclear.

This year we continued to experience challenges to our revenue forecasts, as many

other businesses did. Providing financial support to hospitality, retail and other business sectors facing hardship because of COVID-19 and the Parliament protest also impacted our financial position.

### A city in transition

We are a city in transition – we have worked hard this year to put plans in place to ensure Pōneke (Wellington) is a capital city fit for the future. Over the coming years, Wellingtonians will see these plans come to fruition.

The theme for this year's report is *he tāone e whakaumu ana – a city in transition*. City-level change is a marathon, not a sprint. We will need determination and perseverance to get to the 2040 finish line – an inclusive, sustainable and creative capital for people to live, work and play.

**Barbara McKerron**  
Chief Executive

# 01

## Tō Tātou Tāone Nui Our city

### I tēnei wāhanga

Kei roto i tēnei wāhanga he tirohanga whānui o te hītori o te tāone, tō mātou taupori, ōhanga, wāhi me te taiao.

### In this section

This section includes an overview of the city's history, our population, economy, location, and our environment.





# Kāhua Tāone

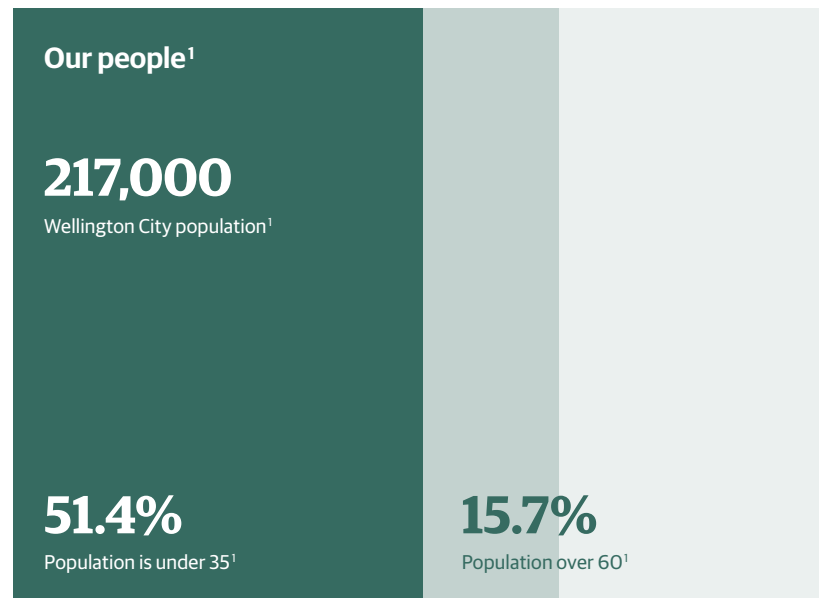
## City profile

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

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

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

### Wellington at a glance



- 1 Figures in this section from Infometrics Wellington City - Regional Economic Profile 2021
- 2 NIWA Annual Climate Summary 2021
- 3 Population forecasts - SensePartners 2022
- 4 WCC figures for Coastline, Tracks and Playgrounds
- 5 Infometrics Wellington City Economic Profile - Living Standard - Household Income 2022

### Our city



**2,145**  
Sunshine hours in 2021<sup>2</sup>



**98.9 km**  
Length of coastline



**381 km**  
Walking and biking tracks



**108**  
Play areas in Wellington<sup>4</sup>



**\$157,697**  
Average household income<sup>5</sup>



## Our history

According to Māori tradition, Whatonga, a chief of the Kurahaupō waka was the first person to settle the lands at the southern tip of the North Island which was known as Te Upoko-o-te-Ika, the head of the fish.

Whatonga's son, Tara, was said to be enamoured with the deep and beautiful harbour at the nostrils of the fish, and so Whatonga named the harbour, Whanganui-a-Tara after his son.

The region was slowly populated with peoples of Kurahaupō descent including Ngāi Tara, Mua-upoko, Ngāti Apa, Ngāti Rangitāne and Ngāti Tu-mata-kokiri who established hilltop pā (fortresses) on strategic and sheltered sites around the Wellington harbour. In the 1820s, tribes from the Taranaki region also moved south to Te Upoko-o-te-Ika.

In the 1840s, European settlers began to arrive and settle in the region. Wellington became New Zealand's capital in 1865, with Parliament officially sitting in the city for the first time on 26 July 1865.

On 28 September 1870, the Wellington City Council met for the first time. Since then, it has had 36 Mayors and hundreds of Councillors.

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

The city is home to many cultures, with approximately 34 percent of residents being born overseas. Common ethnic groups in the city include European, Māori, Pacific peoples and Asian peoples.



## Our location

Wellington City spreads across 289.91 square kilometres<sup>6</sup> at the south-western tip of the North Island and is made up of 56 suburbs.

The city lies on the shore and hills surrounding the Wellington harbour. This enables our community to discover walks and walkways, beaches and rock pools, parks and gardens, playgrounds and mountain bike tracks all within a short trip from the central city. The compact size of the city provides many options for transportation. Although many drive private vehicles, many also enjoy walking, running, cycling, and public transportation to get around the city.



<sup>6</sup> StatsNZ Geographic Boundary View



## Our economy

Wellington is at the heart of the Greater Wellington region. Our economy is vital to the economic wellbeing of the region and, as the capital city, to New Zealand as a whole.

Our local economy sustains 174,340 jobs and our city is home to 28,689 businesses. Our local economy produced over \$27.3 billion this year in gross regional product. Our export trade is estimated more than \$1 billion.

The 2021/22 year has been a challenging one for the city, its businesses, and our people. For example, we have had the ongoing uncertainty from changing pandemic restrictions causing disruptions to the goods and service supply chains, a highly visible and sustained protest at Parliament, and businesses – particularly hospitality, retail, arts and cultural sectors – impacted by workers and customers self-isolating and choosing to work from home.

Despite the challenges, employment of Wellington regional residents grew 2.1 percent in June 2022 compared to June 2021. Professional, scientific and technical services led the way in terms of job growth, with health care, retail, construction, and financial services also having notable gains. Employment growth has brought the city's unemployment rate down to a low of 3.2 percent as at June 2022.<sup>7</sup>

<sup>7</sup> Infometrics Wellington City Economic Profile – Overview

## Our environment

Like many other regions in New Zealand, the city is already affected by climate change. For example, we are experiencing more frequent and intense weather events that are causing more flooding and disruption to services. We declared a climate and ecological emergency, which means our commitment to conserving, restoring and enhancing our environment becomes even more important to the wellbeing of the city. We aim to ensure ecologically sustainable development, that balances social, economic and environmental values.

We actively work with the local community to address climate change and other environmental challenges. We provide waste education and protect our natural bushland areas, local biodiversity and the health of our waterways.

You can read more about our environmental initiatives in “Our response to climate change” on page 27.



2021/2022

# Nga kaupapa hapori Community events

The community outbreak of the Delta and Omicron COVID-19 variants during the year meant that person-to-person contact was restricted. Wellington was under Level 4 or 3 lockdown rules from 18 August 2021 to 7 September 2021. The Government also brought in the Traffic Light system in December 2021, meaning stronger restrictions on the number of people at events under Red and Orange settings and the necessary use of vaccine passes (see page 30 for more).

As a result, the Council needed to cancel and/or postpone many events. In response, we actively looked for opportunities for events to be delivered differently. For example, by quickly moving them online. The following is snapshot of the Community Events held during the year including those cancelled or postponed.



**47**

Occurred as planned



**08**

Events postponed



**36**

Events cancelled



**14**

Alternate, modified, or online events



# 2021



## July

- Ahi Kā
- Matariki Sky Show
- Beyond the Page – Children's Literacy Festival
- NZ Underwater Hockey Central Schools Tournament
- NZ Futsal Youth Tournament
- Festival for the Future

## August

Note: Level 4 lockdown from 18 to 31 August

- Classical on Cuba
- College Sport Wellington Junior Netball Tournament
- Eastern Suburbs Kapa Haka Festival
- Wellington Zoo Winter Wednesdays (two held, two cancelled)
- Beervana
- Visa Wellington on a Plate (WOAP), postponed until mid-September

- BurgerWellington (WOAP alternate festival)
- K-Culture Festival (postponed until May 2022)

## September

Note: Level 3 lockdown from 1 to 7 September

- Te Wiki o te reo Māori (online)
- At Yours (WOAP alternate festival)
- Ōtari Open Day (cancelled)
- Art Splash
- Bee Aware Month
- Spring into Tawa (cancelled)
- Spring Festival (cancelled)
- Tulip Sunday: Whānau Day Out (cancelled)
- NZ Chinese Language Week (online)
- World of WearableArt (cancelled)
- NZ Handball Club Championships (cancelled)

## October

- Diwali (online)
- Lumino City lantern festival (postponed)
- Truby King Park Open Day (cancelled)
- Wellington Marathon 2021 (cancelled)
- Home & Garden Show (cancelled)
- Oktoberfest
- Seniors' Week
- Wellington Heritage Week
- NZ Water Polo 14 & Under Championships

## November

- Pink Star Walk (cancelled)
- Corporate Challenge (cancelled)
- Walking stars (cancelled)
- Africa Day (postponed)
- A Very Welly Christmas (AVWC, cancelled)
- NZ International Film Festival
- Japan Festival of Wellington (postponed until June 2022)

## December

- Tawa Christmas Parade (cancelled)
- Johnsonville Lions Christmas parade (cancelled)
- Thorndon Fair (cancelled)
- Kilbirnie Christmas Parade (cancelled)
- Victoria University of Wellington Graduation & Parade 2021 (cancelled)
- Carols in the Park (cancelled)
- Khandallah Village Street Fair (cancelled)
- Our Climate Future exhibition
- Christmas Street Performances (AVWC alternate festival)
- The Extravaganza Fair
- Window Wonderland (AVWC alternate festival)
- New Year's Eve (modified)
- Hilma af Klint: The Secret Paintings

2022



Note: Red restrictions from 23 January to 13 April

## January

- Gardens Magic (cancelled)
- Gardens Trail (alternate festival)
- Kids Magic (cancelled)
- Pasifika Festival (postponed)
- Youthtown 3x3 quest basketball
- Swim the Lighthouse Ocean Swim

## February

- Lunar New Year (online)
- Lunar New Year fireworks (cancelled)
- Island Bay Festival (cancelled)
- Pipes in the Park (cancelled)
- Whānau film night (online)
- Te Rā o Waitangi (online)
- Ghost Diving NZ – annual clean up
- Aotearoa NZ Festival of the Arts
- Dragon Boat Fun Day (cancelled)
- Wellington Fried Chicken Fest (postponed)
- Performance Arcade
- Local Food Week
- NZ Fringe Festival
- Wellington Pickleball Cup

## March

- Capital Enduro (cancelled)
- Newtown Festival (cancelled)
- Wellington International Pride Parade (cancelled)
- Capital E's Children's Day (cancelled)
- St Patrick's Day Parade (cancelled)
- CubaDupa (cancelled)
- ICC Women's Cricket World Cup
- Park(ing) Day
- BOWLZILLA Wellington (postponed)
- Dragon Boat festival
- Homegrown (cancelled)

## April

- ANZAC Day Services
- Wellington Phoenix vs Central Coast Mariners
- Swimming NZ National Age Group Championships
- Water Polo NZ Secondary School Championships

## May

- UFBA National Combat Challenge (cancelled)
- The Food Show
- College Sport Wellington Premier Netball Tournament

## June

- Loemis (modified)
- Queens Jubilee Beacon (also offered online)
- Wellington Marathon 2022
- Japan Festival
- Matariki /Ahi Kā
- Mana Moana
- ANZ Premiership netball grand final, Central Pulse vs Northern Stars
- National League Canoe Polo C/D Finals
- Swimming NZ North Island Secondary School Championships
- Interprovincial Championship Volleyball Tournament



# 02

## Ā mātou kaiārahi me te anga rautaki Our leaders and strategic direction

### I tēnei wāhanga

Kei roto i tēnei wāhanga tō mātou Aronga Rautaki – tō mātou tūruapō, ngā putanga rautaki, me te mahi a te Kaunihera, tae atu ki te whakarāpopoto a tō tātou Kahika, Ngā Kaikaunihera me tō tātou Tira Matua.

### In this section

This section outlines our Strategic Direction – our vision, our strategic outcomes, and the role Council plays, along with a summary of our Mayor, Councillors, and our Executive Team.





## Tō mātou anga rautaki Our strategic direction

The Local Government Act recognises that the key focus for local authorities is promoting the social, economic, environmental, and cultural wellbeing of their communities in a sustainable way. In developing the 2021-31 Long-term Plan, the Council placed community wellbeing as the foundation for the vision, community outcomes and strategic priorities. Together they form the core of our strategic direction guiding the Council's role in the development of the city and the delivery of services to the community. The next page provides an overview of the strategic direction in the 2021-31 Long-term Plan.



## Vision “Wellington 2040 – an inclusive, sustainable and creative capital for people to live work and play”

Community Outcomes	<b>Environmental:</b> A sustainable, climate friendly eco capital	<b>Social:</b> A people friendly, compact, safe and accessible capital city	<b>Cultural:</b> An innovative, inclusive and creative city	<b>Economic:</b> A dynamic and sustainable economy
<b>What these outcomes mean - Wellington has/is...</b>	A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations	An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe and healthy	A vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve and enjoy arts, culture and heritage	Attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future
<b>Strategic Investment Priorities - Wellington has...</b>	A functioning, resilient and reliable three waters infrastructure	An affordable, resilient and safe housing	A resilient and fit for purpose community, creative and cultural spaces	A core transport infrastructure that is safe, resilient and reliable network
An accelerating zero-carbon and waste-free transition Strong partnerships with mana whenua				
<b>Council/CCO services to the community</b>	<ul style="list-style-type: none"> <li>Gardens, beaches, green open spaces waste operations</li> <li>Fund the City's three waters network</li> <li>Energy conservation, climate adaptation change response</li> <li>Environment conservation attractions eg Zoo, Zealandia</li> </ul>	<ul style="list-style-type: none"> <li>Gardens, beaches, green open spaces libraries, pools and recreation facilities and programmes,</li> <li>Community centres and halls, community services</li> <li>Provide public toilets/facilities public health and safety</li> <li>Housing and community support</li> <li>Urban planning and design</li> </ul>	<ul style="list-style-type: none"> <li>Support to cultural organisations</li> <li>City archives, galleries, museums</li> <li>On-going support for cultural, creative spaces, community arts &amp; partnerships</li> <li>Mataaho Aronui, Iwi Partnerships &amp; Tūpiki Ora Māori Strategy</li> <li>Archives &amp; heritage</li> <li>Grants to fund community initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Spatial district planning</li> <li>Transport infrastructure, roading, parking</li> <li>City development &amp; insights</li> <li>Mataaho Aronui, Iwi Partnerships</li> <li>Council-Controlled Organisations (CCO)</li> <li>Business development</li> <li>Licences and consenting</li> </ul>
<b>Our organisations values</b>	<ul style="list-style-type: none"> <li>He tangata, he tangata, he tangata: We put people at the heart of what we do</li> <li>Whakapai ake: We're always improving</li> </ul>		<ul style="list-style-type: none"> <li>Mahi ngātahi: We collaborate</li> <li>Mana tiaki: We care for our places</li> </ul>	

Our strategic direction is reviewed every three years. The last review resulted in the 2021–31 Long-term Plan which was adopted on 30 June 2021 which is available at [wellington.govt.nz/long-term-plan-2021](https://wellington.govt.nz/long-term-plan-2021)

## Monitoring city and Council trends

### Outcomes

We actively monitor our progress towards the community outcomes. In this report, we include the outcome indicator trends that provide us with information on the city's wellbeing. This information helps us understand how the city is changing and informs future investment in developing the city and the Council's services to the community. The outcome indicator trends that we monitor, and report include:

### Service performance

To view our performance as a whole, we use KPIs to track satisfaction and perception, cost to deliver, quality, timeliness and utilisation of the services that we deliver. Some KPIs are required by statute. In general, we report service performance against the target set in the Long-term Plan. Section 4 – Our performance in detail provides detailed Statements of Service Provision in our seven strategic activity areas that cover the projects, programmes and services to the community.

#### Community Outcomes

##### Outcome trends that we monitor include...

#### Environmental: A sustainable, climate friendly eco capital

- Energy consumption, city greenhouse emissions
- Eco-system health
- Waste management and reduction
- Sustainable living
- Climate change impacts, adaptation
- Three Waters quality, supply, customer satisfaction

#### Social: A people friendly, compact, safe and accessible capital city

- Quality of life
- Community sense of purpose and place
- Community connection and participation
- Community Safety
- Community engagement
- Satisfaction with partnerships

#### Cultural: An innovative, inclusive and creative city

- Capital of culture
- City vibrancy
- Cultural diversity
- Artistic talent and expression
- City heritage
- Cultural infrastructure

#### Economic: A dynamic and sustainable economy

- Growth
- Labour force participation
- Household income
- Public transport utilisation, reliability
- City Economic activity
- Changes in business activity by sector
- Consenting activity,
- Housing affordability



# Ā mātou mahi Our role

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

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

While the Council is involved in many aspects of the ongoing running of the city, it cannot do this alone. The development of city's Environmental, Social, Economic, and Cultural wellbeing is a partnership involving the whole Wellington community - including Central Government. The graphic on the right outlines some of the more significant roles for the Council in the operation and development of the city. Through our Long-term Plan, we provide funding for the services and development projects that reflects these roles.

## Council roles in the city



**Regulator**  
Regulating some activities through legislation



**Provider**  
Delivering services and managing assets



**Funder**  
Funding other organisations and individuals to deliver services



**Partner**  
Forming partnerships and strategic alliances with other parties in the interests of the community



**Facilitator**  
Assisting others to be involved in activities by bringing groups and interested parties together



**Advocate**  
Promoting the interests of the community to other decision makers and influencers

## Tō tātou Kahika me ngā Kaikaunihera Our Mayor and Councillors

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

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

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

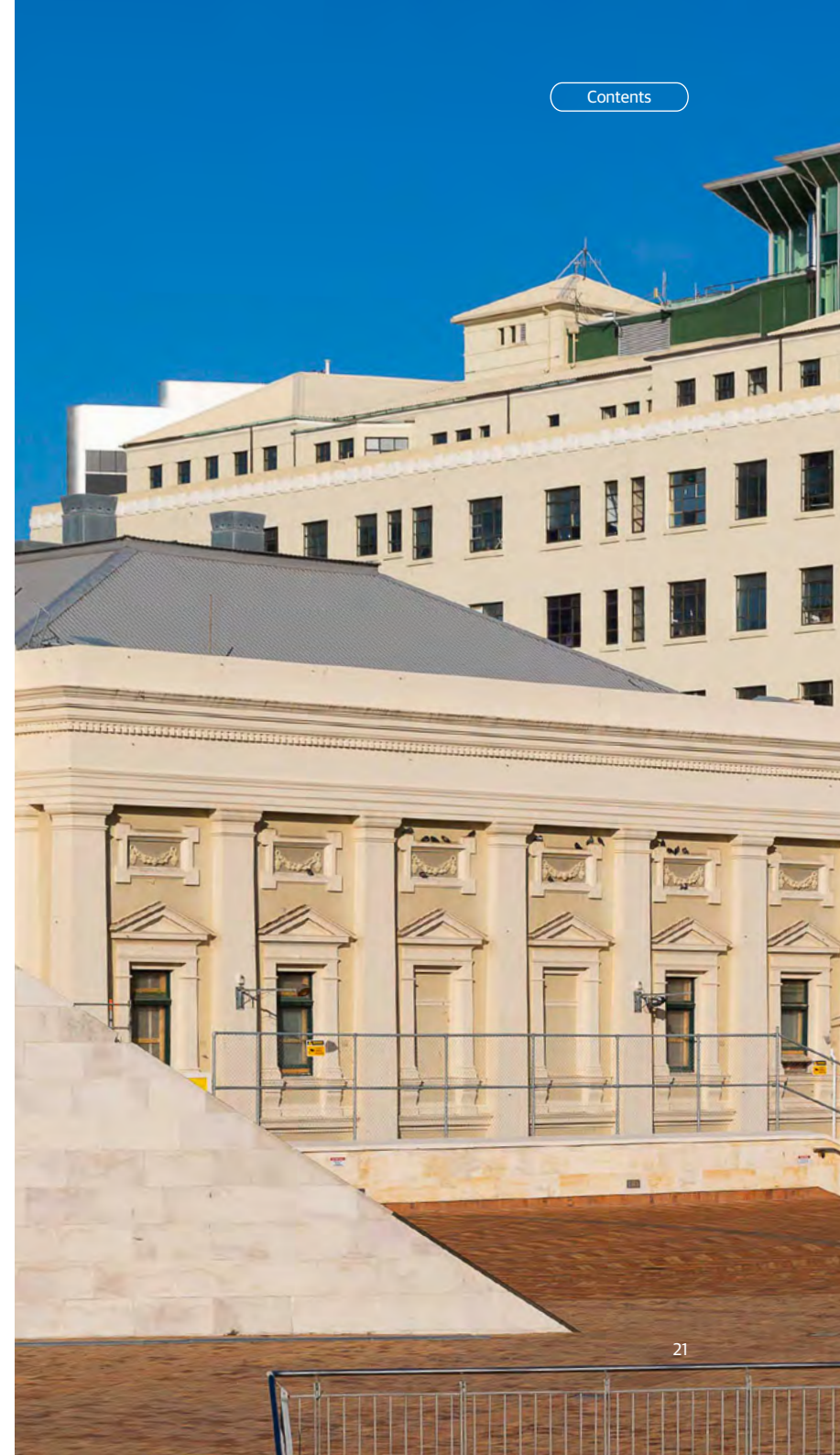
For details of Mayor, Deputy Mayor and Councillors' remuneration, see Note 37 in Volume 2: Financial statements on page 109.

Councillor Malcolm Sparrow (Takapū Northern Ward) resigned as a Councillor in October 2021.

All Councillors are appointed to the following committees of the whole. Each have a chair and deputy chair as detailed in the Councillor profiles, along with any additional committee appointments.

- Pūroro Tahua Finance and Performance Committee
- Pūroro Āmua Planning and Environment Committee
- Pūroro Waihanga Infrastructure Committee
- Pūroro Rangaranga Social, Cultural and Economic Committee
- Pūroro Maherehere Annual Plan/Long-Term Plan Committee

On 30 June 2021 Liz was appointed as Ngāti Toa Rangatira representative to all committees and subcommittees, except the CEO Performance Review Committee, Community Boards, the Appointment Group, and the District Licencing Committee, effective 1 July 2021.



# Wellington City Councillors in 2021/22

Listed here are the elected Mayor and Councillors for the 2021/22 financial year.

For up-to-date details of the Wellington City Councillors, including profiles and responsibilities, visit [wellington.govt.nz/your-council/about-the-council](https://wellington.govt.nz/your-council/about-the-council)

## Citywide



**Andy Foster**  
Mayor

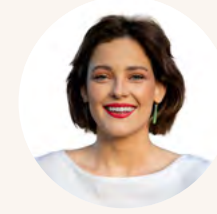
## Motukairangi | Eastern Ward



**Sarah Free**  
Deputy Mayor



**Sean Rush**  
Councillor

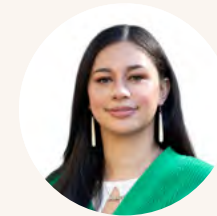


**Teri O'Neill**  
Councillor

## Pukehinau | Lambton Ward



**Iona Pannett**  
Councillor



**Tamatha Paul**  
Councillor



**Nicola Young**  
Councillor

---

**Takapū | Northern Ward**



**Jenny Condie**  
Councillor



**Jill Day**  
Councillor



**Malcolm Sparrow**  
Councillor

---

**Paekawakawa | Southern Ward**



**Fleur Fitzsimons**  
Councillor



**Laurie Foon**  
Councillor

---

**Wharangi | Onslow-Western Ward**



**Diane Calvert**  
Councillor



**Rebecca Matthews**  
Councillor



**Simon Woolf**  
Councillor

## Tō tātou Tira Kaiārahi Matua Our Executive Leadership Team

The Chief Executive manages Wellington City Council under elected member approved annual and long-term plans, and relevant legislation, policies and guidelines.

The Chief Executive is responsible for the efficient and effective implementation of the Council's decisions within agreed parameters. The Chief Executive employs the Council's 1,967 staff to help with these responsibilities.

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

Our Executive Leadership Team is listed here. Profile information for each chief officer is detailed from page 26 to 28 of Volume 1 of the full report.



**Barbara McKerrow**  
**Tumu Whakarae**  
**Chief Executive Officer**







**Meredith Blackler**

**Tātai Heke Tāngata  
Chief People & Culture Officer**



**James Roberts**

**Tātai Heke Auaha  
Chief Digital Officer**



**Sara Hay**

**Tātai Heke Tahua  
Chief Financial Officer**



**Liam Hodgetts**

**Tātai Heke Maherehere  
Chief Planning Officer**



**Kym Fell**

**Tātai Heke Hapor  
Chief Customer and  
Community Officer**



**Stephen McArthur**

**Tātai Heke Rautaki  
Chief Strategy &  
Governance Officer**



**Siobhan Procter**

**Tātai Heke Waihanga  
Chief Infrastructure Officer**



**Karepa Wall**

**Tātai Heke Māori  
Chief Māori Officer**

# 03

## Whakarāpopotanga o tō mātou tau Summary of our year

### I tēnei wāhanga

Kei roto i tēnei wāhanga tō mātou urupare ki tō mātou ohotata āhuarangi, hauropi kua whakapuakitia, ngā whakarāpopoto o ngā whāinga mahi, tae atu ki ētahi wero me ngā miramiratanga o te tau 2021/22, me ki he tirohanga whānui o ā mātou mahi matua.

### In this section

This section includes our response to our declared climate and ecological emergency, summaries of our performance, including some challenges and highlights of the 2021/22 performance year, and an overview of our core business.



# Te urupare hurihanga āhuarangi

## Climate change response

We're working towards a sustainable, climate-positive capital. A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is rapidly reducing emissions and adapting to climate change.

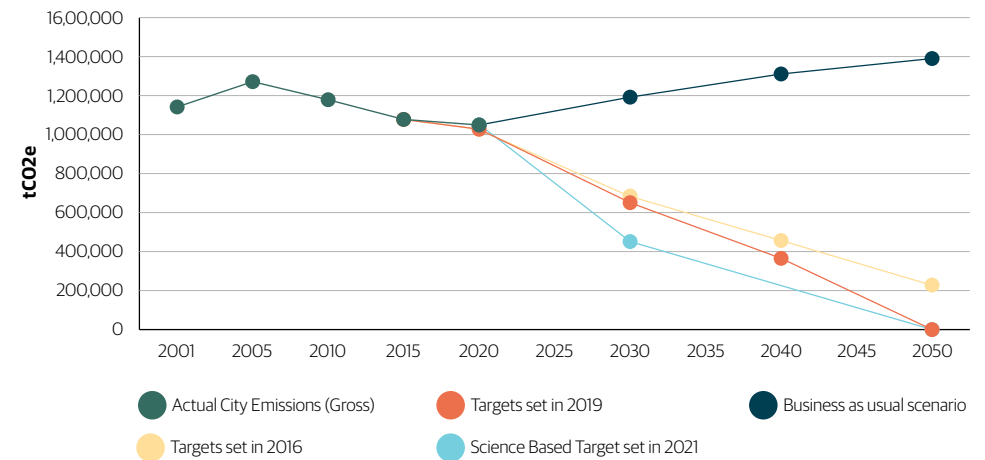
Climate change affects all of us and exacerbates all other problems - equity, biodiversity, housing, the economy, immigration, and social justice. In Wellington, we're already seeing the impacts, from extreme weather and rising seas to increased food prices and travel costs. These impacts disproportionately affect the most vulnerable.

When it comes to climate change in the capital, urgent collective action is needed to reduce emissions, slow global warming and prepare for the impacts that can't be avoided.

Wellingtonians have consistently told us they want to see more climate action city-wide. In 2019, we declared a Climate and Ecological Emergency and adopted our climate action plan Te Atakura - First to Zero. It states that the years leading up to 2030 are crucial for us if we are to have a chance of staying below 1.5°C of global warming. It sets a target of reducing city emissions by 57 percent by 2030, being a net zero carbon capital by 2050, and supporting Wellington to adapt to the impacts of climate change.

The biggest opportunity to reduce emissions in Wellington is through transport changes and urban development. Infrastructure changes that favour housing densification, a reduction in private vehicle use in the city centre and improved transport options are underway and will help us advance towards our net-zero target. Good urban planning is good climate policy.

Wellington City Emissions Paths



For more detailed information on our Greenhouse Gas emissions, see our KPI measure on page 67 and the Appendix on page 160. This area received a qualified Audit opinion this year.

## Responding to the impacts of climate change

Wellington City Council's climate response cannot be delivered by one team or business unit alone – it is a whole of council mission. This year was the first under the new 2021-31 Long-term Plan, with the work fully funded and the response team recruited.

In the past year we have made good progress on planning how we will adapt as a city to climate impacts, despite not yet knowing what funding, financing, and regulatory mechanisms will be created through the government's Climate Change Adaptation Act, which has been delayed to at least 2023.

## Climate action by the numbers



**5.5%**

proportion of vehicles in Wellington that are electric. Up from 1.7% in 2021 12% of Council vehicle fleet now electric



**Delayed**

installation of the 2021/22 EV charge points due to COVID-19 supply issues. Programme on track for 2022/23



**\$20m**

environmental and Accessibility Performance fund launched for the improvement of new and existing buildings



**\$226m**

investment committed for Paneke Pōneke (walking, biking, skating and bus priority lanes)



**\$250,000**

awarded to community led climate action via the Climate and Sustainability fund



**689**

homes audited for home energy saver



**2400**

trees planted



**15%**

reduction in natural gas usage across Council facilities



**674 tonnes**

carbon removed from the atmosphere through Council-owned forestry

## Progress this year

- We consulted with the public on the draft district plan, the bike network plan, and options for Let's Get Wellington Moving.
- We discussed climate action with mana whenua, as part of the broader Tākai Here and Tūpiki Ora work. This included receiving input on our upcoming climate action campaign, and design advice on our approach to community engagement.
- We created the City Activation team to support Wellingtonians to deliver their own contributions to climate action. This team works with businesses, diverse communities, and in partnership with mana whenua.
- We established the \$20m Environmental and Accessibility Fund to support the improvement of new and existing buildings over the next seven years. This year we dispersed \$250,000 for community-led climate action initiatives through the Climate and Sustainability fund.

- We continued planting trees across the city and protecting our biodiversity through targeted pest campaigns.
- We developed our understanding of how climate change is impacting and will impact Wellington. The updated city hazard maps were included in the proposed District Plan. We're working across the region to understand what those hazards mean for our communities and our neighbourhoods.

As central government develops the national response, we're advocating strongly on behalf of Wellingtonians to ensure funding and regulatory mechanisms are developed to support residents to adapt and to make sure that they understand the needs of communities across the city.

Our next steps are to develop specific plans for the most at-risk communities and to create the Wellington City Council Adaptation Framework and the Wellington Regional Council Adaptation Plan. We will continue listening to communities, ensuring they have a strong voice in charting our pathway forward.



# Te āhua o ngā mahi

## Our performance

### Introduction

During the year, we continued to deliver our services under a challenging operating environment, resulting in more than half of our performance measures tracking to target, with timeliness and satisfaction the greatest performance challenges. Our underlying budget result was close to balanced for the year.

### Challenges

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

The two challenges outlined below had significant impacts on the Council's performance during the 2021/22 year – the ongoing COVID-19 pandemic and the Three Waters Network.

### COVID-19 Pandemic

In New Zealand, swift action initially meant that we were largely protected from many of the negative effects of the pandemic seen in other countries. However, with the onset of Delta and Omicron variants, New Zealand began to experience higher community case numbers and restrictions.

In December, the Government changed from the COVID-19 Alert Level system to the COVID-19 Protection Framework (traffic light) system. The new system aimed to allow some form of normal life to continue while keeping hospitalisations of those with the virus to a minimum. It had strict settings for gatherings, mandates for vaccine passes and higher face mask use.

Wellington was in the Orange setting from 2 December 2021 until 22 January 2022, when we moved to the Red setting until 13 April 2022.

Under Orange there were no limits on gatherings, but vaccine passes were encouraged and large outdoor gatherings needed to have 1-metre social distancing and required face masks. This meant the Council decided to require Wellingtonians to show their vaccine passes at most of our public facilities and that staff needed to be double vaccinated. The Council also decided to cancel or postpone many summer events as the restrictions meant they could not operate. Many of these moved to an online or smaller format.

Under the Red setting there were strict gathering limits of 200 people indoors, or less depending on the requirement to also maintain 1-metre social distance. This impacted the use of many of our facilities, even with the use of vaccine passes. For example, we required bookings for using lanes at swimming pools and had limits on how many people could be in our facilities such as ASB Sport Centre and libraries.

### Continuing impact

Overall, community cases increased sharply, with the new variants of COVID-19. However, since restrictions eased, our GDP has bounced back, and unemployment is low. A significant pandemic impact on the city is the supply chain constraints and issues for organisations that are more reliant on international visitors or workers.

A snapshot of the COVID-19 impacts on the city this year shows:

- \$26.6m revenue lost
- \$4.26m increase in grants funding
- World of Wearable Art financial support
- 39 cancelled or postponed events
- Reduced utilisation to our facilities and therefore lost revenue
- Working from home around 20%, impacting hospitality and retailers

- Ongoing work occurred with community organisations to house and support the city's homeless
- Financial support was provided for the Wellington Regional Stadium Trust, Cable Car Ltd and Experience Wellington
- Delivered the Pandemic Response Plan to support hospitality, retail and other business sectors facing financial hardship because of COVID-19. This includes rent relief for commercial businesses; free outdoor dining permits; refunding all pavement licence fees
- New events were held to support the events, hospitality and tourism industries and the vibrancy of the city.

More information on how COVID-19 affected different areas of Council is detailed in Volume 1, Section 4: Our performance in detail, from page 45. The impact on our financial performance is in Volume 2 of the Annual Report, page 09.

### Three Waters network

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

In 2019/20, the city's aging water network had some significant network failures. The burst water and wastewater pipes created disruption for communities and businesses, and raised questions from the public, the media and Councillors about the condition of our network and how it is being managed.

Through the 2021-31 Long-term Plan, we significantly increased the level of investment in our network to begin to address the issues. This mainly focused on looking after existing infrastructure (for example operations, maintenance, and renewals) and completing targeted growth investments.

This year, Wellington Water has delivered \$61.9m of capital expenditure programmes to strengthen our three waters infrastructure. It's the biggest ever single year capital programme. While investment has increased and work is progressing to improve the condition of the network, it will take some time to complete. During the 2021/22 year, rising costs of materials and labour, interruption in the supply chain, and general capacity and capability limitations in the sector contributed to a challenging, operating environment.

The failures in the three waters network have impacted the performance in our Environment and Infrastructure activity area, with one water measures receiving a qualified Audit Opinion from our external auditors. The measure that was qualified by the Auditors is detailed in Section 4: Our performance in detail. The result and variance explanation for the qualified measure is on pages 28, 29 and 70.

### External awards and nominations

The Council received several significant awards and nominations in 2021/22. They acknowledge innovative work in key areas and further demonstrated our leadership in local government.

- Council's One Tag initiative won Customer Experience Project of the Year at the 2021 Association of Local Government Information Management Awards
- Most Beautiful Large City at the Keep New Zealand Beautiful Awards 2021
- The Council's Annual Report 2021/22 received a Gold Award at the Australasian Reporting Awards (ARA). This is the seventh year the Council has participated in the awards, with four Silver and one Bronze
- Named one of 15 winning cities of the Bloomberg Global Mayors Challenge for Innovation with US\$1m prize money.

## Overview of our performance

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

In Section 4: Our performance in detail of this report we outline each activity area, including an overview of the highlights, challenges, performance information and what the activities cost. This 2021/22 Annual Report is a report against year one of the 2021-2031 Long-term Plan.

## Community outcomes

We track 39 community outcome indicators to measure how the Council and city is going on meeting our vision and wellbeing goals. We look for meaningful changes over time. As this is the first year we are monitoring our community outcome indicators for community wellbeing, we expect that some indicators may have insufficient data to establish a clear trend. A full listing of outcome indicator results can be found in Appendix 3, from page 166.

### Summary of outcome performance

### Some city emerging trends

#### Environmental wellbeing



Our environmental community outcomes were somewhat successful with three out of seven indicators showing trends in the desired direction. Two indicators had a negative trend and two were neutral.

- ↗ steady increase in capacity of solar as a renewable energy source
- ↘ perception of air pollution "is a problem"
- ↗ improvement in waste to landfill per person
- ↘ perception of water pollution "is a problem"
- ↗ increase in access to green space

#### Social wellbeing



While there have been some unfavourable trends emerging in the Social wellbeing area, of the eight outcomes monitored, four trends are neutral or steady with the overall quality of life perception consistently high at average of 89%.

- ↘ housing becoming more unaffordable
- ↘ lower confidence in Council's decision making
- ↘ dropping sense of community (pre COVID-19)
- ↗ quality of life measure remains high

#### Cultural wellbeing



The long tail of COVID-19 had an ongoing impact on our Cultural wellbeing, driven by uncertainty about how and when our community would engage with events. Although most indicators in this area have not shown progress in desired direction, a new indicator show Wellington's acceptance of diversity is the highest of all the cities monitored.

- ↘ slow decline in perception of our rich and diverse arts scene
- ↗ acceptance and value of identity highest monitored
- ↘ slump in resident's sense of pride in the area and perception of city
- ↘ drop in perception of contribution of heritage items to city and community's unique character

#### Economic wellbeing



This is the largest wellbeing area with sixteen outcomes. Although there are some positive trends, most indicators in this area showed a level of uncertainty. We will continue to monitor the trends closely as the city goes through this period of transition out of pandemic restriction and impacts.

- ↘ drop in the city's economic diversity
- ↗ long term growth in GDP per capita
- ↗ increase in household incomes
- ↗ uplift in number of houses constructed
- ↘ less feel it's easy to access the city
- ↘ drop in perception of public transport: ease of access, affordability (prior to 50% fare reduction) and reliability
- ↗ gradual lift in active modes and public transport
- ↗ improvement in number of road crashes



## Performance measures (KPIs)

This year is the first year of performance reporting against the 2021-31 Long-term Plan. In developing the plan we updated our performance measures and reduced the number of KPIs from 217 to 95. The objective was to improve the monitoring and reporting of performance by reducing complexity and increasing transparency.

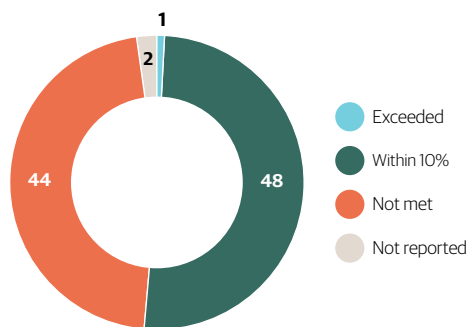
Fewer and updated measures has meant increased visibility of performance – particularly those measures required by statute, including those related to our aging three waters network (managed by Wellington Water Ltd) where there has been consistent under performance in the past three years. Details on the three waters performance measures are in Chapter 2 of Section 4: Our performance in detail.

In reporting performance, we indicate whether the measure was in one of the following result categories:

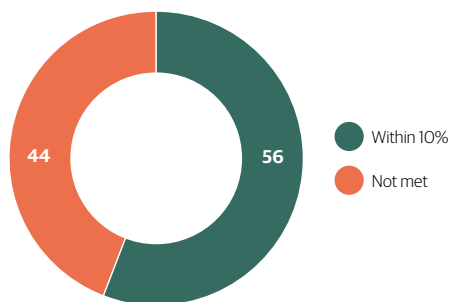
- **Not met** (>10% below target)
- **Within 10%** (on or within 10% +/- of target)
- **Exceeded** (>10% over target);
- **Not reported** (for example where performance result was not available at the time of publication).

The following graphs indicate the KPIs in each of the categories.

Total KPIs 2021/22



Council-controlled organisations



The Council provides about 400 services to the city. To view our overall performance, we group our KPIs in five areas of focus:

- customer satisfaction and perceptions;
- cost to deliver;
- quality;
- timeliness; and
- utilisation.

These groupings help us assess how efficient and effective Council is at delivering its services as part of our ongoing monitoring and reporting activity.

## 11 out of 20

satisfied - residents monitoring survey results were below target with many trending downward

## 23 out of 34

quality measures met their target, showing our commitment to delivery of our core services

## 13 out of 25

measures relating to our delivery of three waters were not met

## 14 out of 23

timeliness measures were not met, a direct impact of COVID-19

In summary our KPI results show that the Council:

- while continuing to adjust and work with the ongoing challenges from the COVID-19 pandemic, is struggling to meet its customer expectations – see Resident’s monitoring survey measures across our seven activity areas
- has maintained most of its core service facilities (quality measures) under a difficult and pandemic disrupted operating environment within 10 percent of targets
- has services that are more susceptible to external impacts, particularly the pandemic, and these have had less favourable timeliness performance
- continues to underperform in its water-related services relating to water loss and water consumption, flooding events and overflows, compliance and monitoring and response times for resolution of faults.

The following table provides a summary of KPI results by Strategic Activity area.

Strategic activity	Exceeded	Within 10%	Not met	Not reported	Total
<b>Governance</b>		3	4		7
<b>Environment and infrastructure*</b>		5	6		11
<b>Economic development</b>		5	4		9
<b>Cultural wellbeing</b>		3			3
<b>Social and recreation</b>	1	9	5	2	17
<b>Urban development</b>		5	6		11
<b>Transport</b>		6	6		12
<b>Wellington Water Ltd</b>		12	13		25
<b>Total</b>	<b>1</b>	<b>48</b>	<b>44</b>	<b>2</b>	<b>95</b>

\*includes Zoo and ZEALANDIA, excludes Wellington Water

More information on our 2021/22 performance measure results for each activity area see Volume 1, Section 4: Our performance in detail from page 45. That section includes commentary for not met and exceeded variance results.

## Ngā kaupapa me ngā hōtaka matua

### Key projects and programmes

In our 2021–2031 Long-term Plan, we outlined the major projects intended to be completed during the year. These are highlighted in the relevant chapters of Volume 1 of the full report in Section 4: Our performance in detail, from page 45.

#### Key programmes

Many of our key projects are city-wide, multi-year programmes. They will contribute to significant change in much of the City's infrastructure for example transport, climate change mitigation and adaptation, mana whenua relationships, planning, and three waters (waste, drinking and storm water).

Page numbers for where more information is available in Volume 1 of the report are included with each project.

#### Let's Get Wellington Moving

Changes at central city intersection have made or are in progress on the 'Central city walking improvements' project and two intersections on Whitmore Street which began in November 2021 are now completed. Further work is underway to make central city

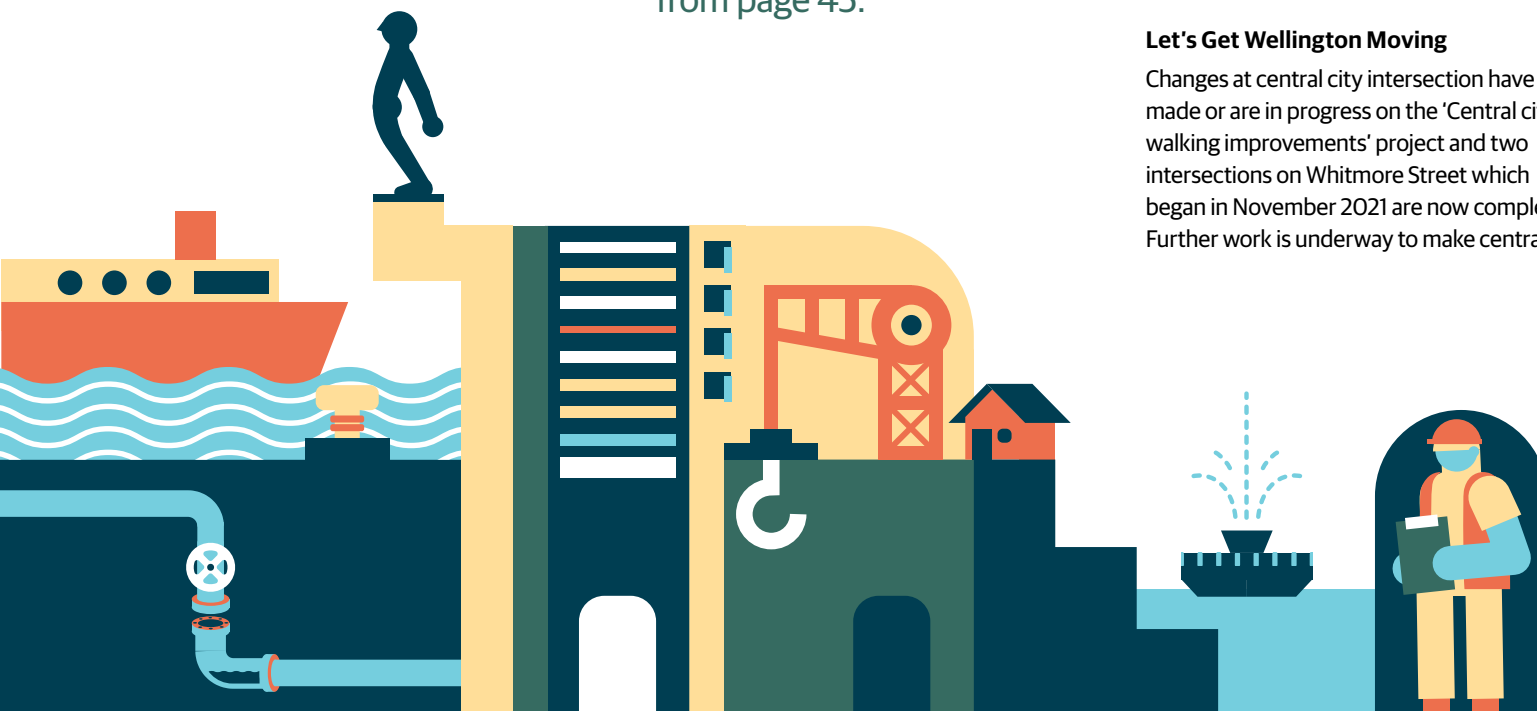
intersections safer, more accessible, and more efficient. Work began on five intersections along Vivian Street in April 2022, with waterfront intersection improvements scheduled from July 2022, and Bowen Street/The Terrace intersection improvements scheduled from October 2022.

More information on this programme is on page 117.

#### Te Atakura - First to Zero

This year, we have invested \$5.2m over ten years to electrify our Council vehicle fleet and develop our Climate Smart building policy which will further reduce the emission profile of Council buildings. This is in addition to our energy management programme that is cost-neutral.

More information on this programme is on page 61.



### Three Waters Work programme

WWL capital and maintenance programmes this year included:

- Wellington Water has delivered \$61.9m of capital expenditure programmes for Council in the 2021/22 year to strengthen our three waters infrastructure. It's the biggest ever single year capital programme.
- We have developed a five project Wellington CBD Wastewater Renewals and Upgrade Programme to enable the city's growth plans over the next 30 years, which will make the city's infrastructure more resilient, allowing it to keep up with projected housing densification and projected population increases while also providing increased protection for the natural environment.
- Construction of the Omāroro reservoir roof is now complete, and the reservoir is expected to be commissioned by late in 2022.
- Wellington Water has committed to restoring appropriate levels of

fluoride to the city's drinking water by September 2022.

- Wellington Water has revised its notification process to be more transparent and community focused.
- Wellington Water is replacing one of three wastewater clarifiers at the Moa Point wastewater treatment plant after a bearing in the drive assembly failed. The clarifier's return to service is scheduled for late 2022.

More information on this programme is on page 62.

### Planning for Growth

The Planning for Growth programme involves the development of a 30-year Spatial Plan for the city and a full review of the District Plan, for managing development in the city,

The spatial plan was adopted in June 2021 and directs where and how growth will occur taking into account transport, infrastructure, the impacts of climate change, heritage and our natural environment.

A non-statutory Draft District Plan was released for community input in November 2021 with over 1000 submissions received. The District Plan is one of the key regulatory tools that will give effect to the Spatial Plan.

The consultation for the Proposed new District Plan will begin in July 2022.

More information on this programme is on page 107.

### Council's Housing Action Plan

2022 is the final year of the current Housing Action Plan, with work underway to refresh the plan for the next three years. The plan identifies five priority areas to deliver solutions across the housing continuum. Specific updates on these five areas are discussed throughout this Annual Report. Priority areas are: taking a partnership approach to addressing homelessness; stabilising Council's City Housing service; proactive development of affordable housing supply; and enabling the market to deliver through improved efficiency of consenting and planning for growth through District Plan provisions.

More information on this programme is on page 108.

### Mana whenua partnerships

Over the last 12 months we have seen a significant shift in the way we as Council serve mana whenua and Māori. We embarked on a new partnership journey with Te Rangapū Ahikāroa, a new body of mana whenua partners representing Te Āti Awa, Taranaki Whānui and Ngāti Toa Rangatira. The signing of this agreement sets a new direction for our partnership with mana whenua. This agreement speaks to the accountability of each partner ensuring that they meet their responsibilities, uphold the shared values, and keep the partnership strong and moving forward, together.

We have successfully co-designed Tūpiki Ora Māori Strategy with mana whenua and Māori across Te Whanganui-a-Tara.

More information on this programme is on page 49.

## Key Long-term Plan projects

We also have key projects that were outlined in the Long-term Plan. Some of these were one-year projects that were completed during the year or are soon to be completed, others are multi-year projects.

### City Archives – Digitisation

A key focus for City Archives is to digitise all our holdings, which date back to 1842. We have started with a three-year project (started in October 2020), to digitise key property records critical to supporting the LIM<sup>8</sup> process and the public Building Consent Search Service. For 2021/22, 5.5 million pages were digitised, with the total to date of 7.5 million pages digitised or 37 percent of the planned digitisation work completed.

Taking into account and the work completed and data from the work so far has enabled our vendor to better understand the volume and effort required to digitise remaining material in a COVID-19 environment. The project has therefore been rescoped.

More information on this programme is on page 49.

### Southern Landfill extension

The consent for the current Southern Landfill runs out in 2026, and despite waste minimisation initiatives, the landfill is likely to be full by that time. Therefore, a proposal went out to the community for consultation in April and May 2022.

It was decided that a new landfill will be constructed on top of the existing landfill, providing space for about 15–20 years of residual waste disposal based on the current volumes.

In the coming year we will be focused on the resource consenting for the extension for construction to occur between 2024 and 2026.

More information on this programme is on page 61.

### Te Matapihi ki te Ao Nui Central Library

In late 2021, we began the first stage of the four-year project – refurbishing and strengthening Te Matapihi, moving historic fittings into storage and removing library furniture and equipment. We are currently in the second stage of removing all services equipment and interior walls from the roof down the five floors and to the basement. Depending on disruption and staff availability, we expect this stage of work to be completed in August 2022 before strengthening work can begin.

More information on this programme is on page 94.

### Te Ngākau Civic Precinct

In October 2021, the Te Ngākau Civic Precinct Framework was adopted. This framework provides a comprehensive vision, objectives and policies for the precinct which align with the spatial plan goals of a Wellington that is resilient, greener, compact, vibrant and prosperous, inclusive and connected.

The vision, objectives and policies were developed with key stakeholders, including mana whenua, Councillors, Council staff and advisors, existing users of the precinct and local community. These have been tested with the wider community to ensure they represent Wellingtonians' aspirations for this important place.

More information on this programme is on page 109.

### Tākina Convention and Exhibition Centre

Construction of Tākina has progressed well despite COVID-19 disruptions to global supply chains, with the schedule and budget on track to completion in mid-2023. Highlights include completion of building exterior, including roof and facade. Partnerships have been signed off with Te Papa Tongarewa and NZ Game Developers Association.

More information on this programme is on page 77.

### St James Theatre

The work to strengthen the St James Theatre to a minimum 67 percent of the New Building Standard started in April 2019 and was completed in June 2022. Other improvements to the building were made at the same time, including upgrades to staging, lighting, sound and rigging systems, as well as the fire protection, mechanical and electrical systems.

The St James Theatre opened with its first show on 23 June 2022 with Teeks performing with the New Zealand Symphony Orchestra. The Theatre is home to the Royal New Zealand Ballet who will return to the building later in the year following upgrade works to its tenancy space and dance studios.

More information on this programme is on page 77.

### Huetepara Park

We worked with the community to complete a draft design, which was reviewed by the Council design panel. Some changes were made to the design to account for improved

accessibility and safety. We received a cost estimate for the design, which was over budget and worked with the community to propose a staged approach and agree priorities. Agreement has been reached for Stage 1 which will include accessible toilets, outdoor showers, and a raised deck. We are now completing the engineering and design plans for consenting and procurement. This will be completed next financial year, and construction work will begin following this.

More information on this programme is on page 60.

### Pōneke Promise

While the programme is still ongoing, we have delivered some great changes and initiatives for the city over the last year, including:

- Harm reduction programmes focused on reducing sexual violence and reducing harm related to alcohol. Initiatives include the Sexual Violence Prevention Action Plan (a community partnership to address sexual violence), Know Your

City Limit (alcohol ban campaign) and the launching of a new Safer Venues initiative in partnership with RespectED and Hospitality NZ, where we are exploring the potential of a voluntary accreditation scheme for bars.

- We launched a new City Safety CCTV Control Base, and the Hāpai Ake team brings a strong harm reduction approach to their work, contributing to better/positive outcomes in the city and suburbs.
- We opened Te Pokapū Hapori, our inner-city Community Centre, and established a funding partnership with The Y, to manage the centre in the Te Aro Park area. Te Pokapū Hapori supports the central city with programmes and activities for our inner-city residents.
- Te Wāhi Āwhina, our inner-city Support Base, has supported hundreds of clients over the past year. The service has seen a gradual increase in clients over the 12-month period.

More information on this programme is on page 102.

### Wellington Museum

We are reviewing the planned \$20m project to earthquake strengthen the building that houses the Wellington Museum. Further engineering investigations and knowledge gained from other projects like the St James Theatre is being applied to this project. The original scope would enable a life safety outcome but not necessarily an ongoing building resiliency. The review will allow Council to make an informed decision on a strengthening level to better ensure that this category one heritage building continues to have a landmark status on the city's world-renowned waterfront.

More information on this programme is on page 87.

# 04

## Ā mātou pūtea Our finances

### I tēnei wāhanga

Kei roto i tēnei wāhanga, te whakarāpopototanga o ngā tauākī Tūtohu me te Takohanga, te Moni Whiwhi me te Whakapaunga, Te Tūnga Pūtea, Ngā Panoni Tūnga Pūtea, me te Rerenga Moni. Kei roto hoki tētahi tirohanga whānui o te pānga ā-pūtea o te KOWHEORI-19 me ētahi atu whākitanga whai pānga ki Te Kaunihera o Te Whanganui-a-Tara, mō te tau i mutu i te 30 o Pipiri 2022.

He mea tango mai te whakarāpopototanga o ngā tauākī pūtea me ngā whākitanga motuhake i te Huinga 2 i te Pūrongo ā-Tau matua. Nō reira, kāore i uru atu ngā whākitanga katoa i te pūrongo matua, ā, nā reira e kore pea e tuku i te māramatanga nui o te tūnga pūtea o te Kaunihera.

### In this section

This section includes summary Statements of Compliance and Responsibility, Revenue and Expense, Financial Position, Changes in Equity, and Cash Flows. It also includes the overview of the financial impact of COVID-19 and relevant disclosures for Wellington City Council for the year ended 30 June 2022.

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



# Tirohanga whānui o ā mātou pūtea

## Overview of our finances

The 2021-31 Long-term Plan and budget, which set the Council's direction for the next ten years, was developed and adopted in a time of high uncertainty.

The ongoing impacts of the COVID-19 pandemic were unknown and there was a focus on city recovery. We have also had to deal with ongoing supply chain blockages and the rising cost of inflation.

Despite this uncertainty our financial position remains healthy, and we achieved a \$87.4m surplus. It should be noted however, that the majority of this surplus is \$82.5m of vested asset revenue. Due to accounting standard requirements, this non-cash revenue is recognised due to Council taking over the ownership of assets. \$72.4m of this relates to the wastewater lateral connections, previously owned by property owners.



**\$26.6m**

Revenue lost due to COVID-19 impacts

**\$10.3m**

Organisational savings target achieved

**82%**

Capital programme completed

**AA+**

Credit rating issued



## Summary of our operating budget

### Financial strategy

This is the first year of our 2021–31 Long-term Plan, which set out our financial strategy for the period. The purpose of the strategy is to enable prudent and sustainable financial management:

Key aim	Achieved	Comments
Balanced budget	Yes	See Balanced Budget section below.
Prudent financial management	Yes	See Balanced Budget section below.
Affordable rates (as described and set out in the 2021–31 Long-term Plan <sup>9</sup> )	Yes	During the past three years total rates revenue and rates increases have been below our limits as reported in the Financial Prudence section in Volume 2, page 127.
Net debt within borrowing limits	Yes	During the past three years net debt has been below our borrowing limits as reported in the Financial Prudence section in Volume 2, page 127.
Fund depreciation where borrowings are incurred to build or replace assets	Yes	In 2021/22 we continued to fund depreciation on assets that we are responsible for renewing when they reach the end of their useful life.
Funding of new infrastructure assets to support city development	Yes	This is measured by the level of capital expenditure on network services as a proportion of depreciation on network services. This is as reported in the Financial Prudence section for “Essential services” benchmark in Volume 2 page 131. Over the past three years we have invested \$174.5m in our three waters network and \$156.8m in our transport network.
Sufficient insurance cover for natural disaster risks	Yes	See information on insurance within the Financial Statements in Volume 2, page 58.
Maintain financial capacity to fund priority programmes and natural disaster recover	Yes	We have maintained capacity within our debt-to-income ratio. At the end of 2021/22 this was 151% compared to a budgeted ratio of 169% and a limit of 225%. This equates to approximately \$459m of borrowing capacity in 2022. This borrowing capacity is the result of careful financial planning and an underspend of capital projects as explained in the Summary of capital expenditure section, from page 45. This underspend of capital expenditure increased funding capacity by 10% against the expected capacity limit.

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

### Balanced budget

The Council operates a balanced budget. This means rates and other revenue fund only what is required to pay for the services delivered each year.

A balanced budget also helps ensure that we are not passing the costs of running the city today onto future generations, and guards against imposing costs now for projects that may not deliver benefits to Wellingtonians until the future. This means each generation pays its fair share.

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

<sup>9</sup> Financial and Infrastructure Strategy, 2021 Long-term Plan, Volume 2, page 18

Operating expenditure has increased by \$54.1m or 9.5 percent this year. This partially relates to an increase in depreciation expense following the revaluation of our operational land and buildings last year. The Council also increased the budget for our three waters network and Let's Get Wellington Moving. Compared to the 2022 budget, expenditure is \$15.4m over budget.

### Underlying position

The underlying operating result provides a comparison with the 2021/22 Long-term Plan budgeted rates requirement we said was needed to achieve a balanced budget against actual operating performance.

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

- revenue received for capital items (for example, funding received from NZTA for roading projects)
- non-funded or debt-funded transactions, where, through the Annual Plan, it was deemed appropriate that the costs were shared across future ratepayers, or where another organisation is liable for the funding

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

The underlying result for 2021/22 is a deficit of \$1.6m or (0.3) percent of total operating expenditure. This means that we collected \$1.6m less rates revenue than required to fund our operating expenditure. This deficit is funded through prior years surpluses.

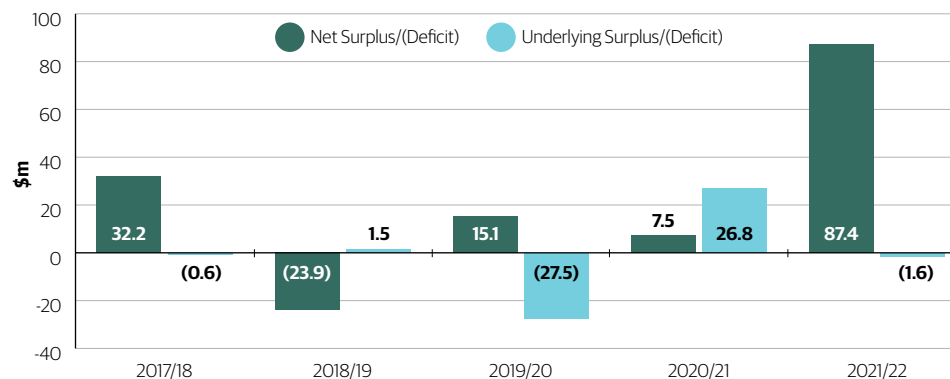
As part of the 2020/21 Annual Plan and 2021–31 Long-term Plan several items related to the impact COVID-19 were funded through debt, such as the loss of our airport dividend revenue. The rates repayments for this

debt are spread over 10 to 15 years to minimise the impact on rates in the short term. In line with the principles of robust and prudent financial management and intergenerational equity in our Financial Strategy, any surpluses will be spread over a similar timeframe and used to offset the rates requirement in future Annual Plans.

#### Underlying result as a percentage of total expenditure

Financial year	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22
%	(0.1%)	0.3%	(5.0%)	4.7%	(0.3%)

#### Underlying operating result



**(0.3)%**

Underlying result variance for 2021/22

**\$622.4m**

Cost of running the city

**\$7.85**

Operational cost of Council services per resident per day

**\$54.1m**

More operational spend than previous year

## Revenue

Our main source of funding is from rates – 55 percent of the total revenue of \$710m – with the next largest source being revenue from operating activities including user fees at 24 percent. We also received revenue from other external sources, mainly central government, to fund capital expenditure, investment revenue and other revenue.

Our revenue for the year was higher than budgeted due to non-cash items such as the recognition of vested asset revenue of \$82.5m and additional fair value gains for investment property which totalled \$20.6m.

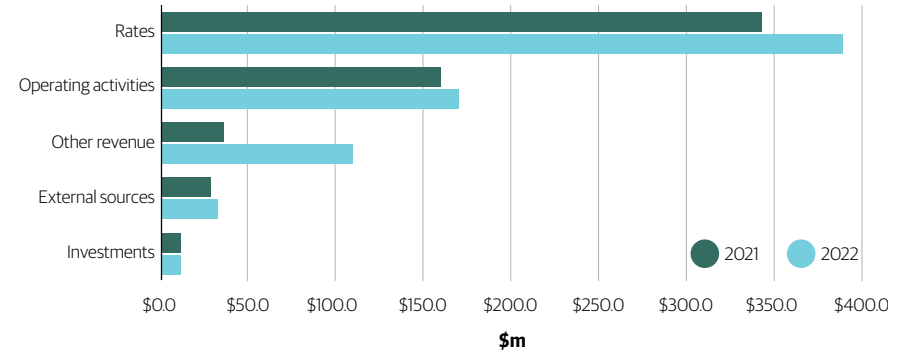
Our Other Comprehensive Revenue includes: fair value movements for Cash flow hedges and Revaluations of property, plant and equipment.

Our revaluations of property, plant and equipment totals a \$1.8b increase for 2021/22. This is due to the revaluation of infrastructure assets which were scheduled for revaluation on 30 June 2023 and therefore not budgeted for in 2021/22. Significant increases in costs for infrastructure asset replacement resulted in a significant variance between estimated fair value and the carrying value on the balance sheet triggering an off-cycle revaluation. This is non-cash revenue and excluded from the underlying surplus.

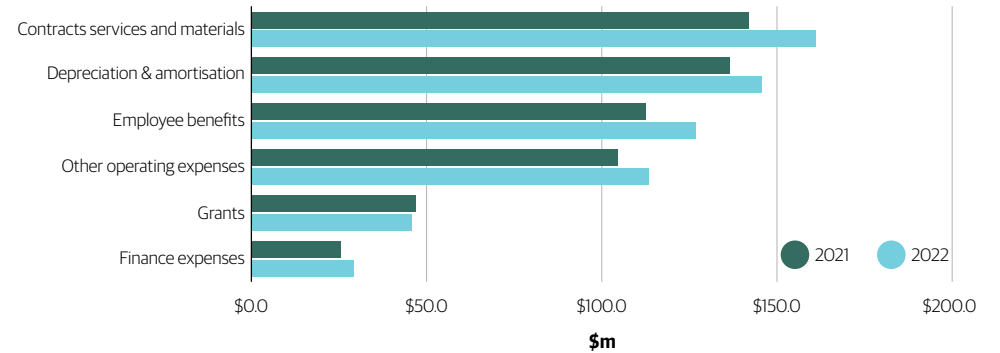
## Expenditure

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

### Sources of Council revenue



### Sources of Council expenses



### Your rates at work

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

We collected \$388.2m (GST exclusive) of rates during 2021/22. An error was identified during the year where rates set for metered water volumetric charges were the same as the 2019/20 Annual Plan rather than updated based on the funding required for the 2021/22 Water Activities. This error resulted in the Metered Water Revenue being \$3m less than budget.

We use rates to maintain and operate many of the services and facilities we need every day. The impact and benefits are greater than just the numbers. Some of the services and facilities Wellingtonians received this year through their rates were:



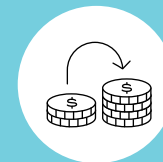
**389 litres**  
of drinkable water supplied per resident per day<sup>10</sup>



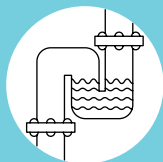
**101,999**  
native plants planted with the community



**181,216**  
calls answered by our Contact Centre staff



**\$4.9m**  
in funding to community projects and organisations



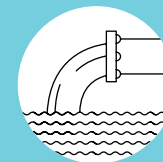
**1,080 km**  
of wastewater pipes



**18,659**  
streetlights operated



**767,257**  
items available at our 14 libraries



**820 km**  
of stormwater pipes



**407 km**  
of walking and biking tracks



**198 sqm**  
open space per Wellingtonian



**760,017**  
resources in City Archives



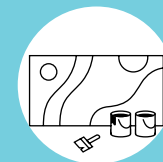
**968.5 km**  
of footpaths



**108**  
play areas



**25**  
free public events



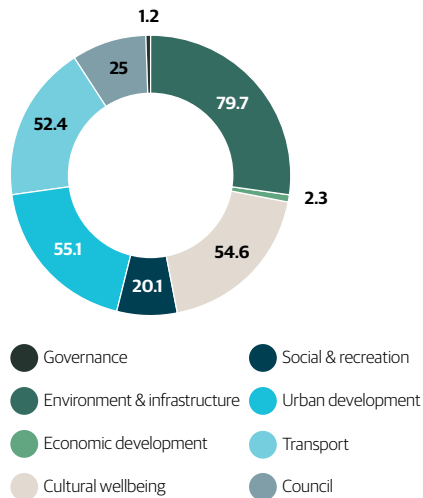
**07**  
new public murals

<sup>10</sup> Not all is used in a resident's home. Other users include industry, businesses, schools, hospitals, the fire service and councils.

## Summary of our capital budget

During 2021/22 we delivered capital projects totalling \$290.5m, this is the highest capital expenditure Wellington City Council has achieved. This equates to 82 percent of what we budgeted. The reasons for the significant variances are explained in this section.

Capital expenditure by strategic area - \$m



## Spending on infrastructure and resilience

The 2021/22 capital programme included significant investment in the three waters network, totalling \$68.8m or 24 percent of our total capital expenditure. More detail on this can be found on in Volume 1 of the full report on page 62.

We also invested considerably in our transport network, continued the multi-year projects to earthquake strengthen the Town Hall and St James Theatre, and continued to build the city's new Tākina Convention and Exhibition Centre. Spend in these major areas was \$150.6m, which represents 52 percent of our total capital expenditure.

Compared to the budget there was an underspend of \$65.1m, with some of this to be carried forward into the next financial year. Once approved, underspends of \$52m will be carried forward to future years.

## Borrowing for the year

For 2021/22 total net borrowings increased by \$180.8m to fund the capital expenditure programme for the year. Net borrowing is comprised of gross borrowing minus

cash and term deposits. Net borrowing was \$943.6m at the end of the year. This compares to \$1,049m forecast in our 2021/22 Long-term Plan. At the end of the year, the average borrowing per resident is \$4,348.

During the year a green bond facility was negotiated with the Local Government Funding Agency to fund the construction of Tākina Convention and Exhibition Centre. The \$180m facility is linked to the UN's sustainable development goals (SDGs). The Council will report on the agreed environmental outcomes to the funding agency on an annual basis once the building is completed.

During the year, \$50m was drawn down against the facility and forms part of this year's borrowings increase. The ratio of debt servicing costs to investment returns is \$1:\$0.4. This means that every \$1 paid in interest costs is offset by 42c of investment income received. In recent years, this ratio had previously \$1:\$1 or higher, but it dropped in 2020/21 and 2021/22 because we received no dividend from Wellington International Airport Ltd due to the impact of the pandemic.

**\$290.5m**

Capital budget spent this year

**\$174m**

Spent upgrading existing or building new assets

**\$181m**

Increase in net debt over 2020/21

**\$1:\$0.4**

Debt servicing costs to investment returns

## Capital programme variance summary

The following table explains the reasons for main project spending variances in our Capital programme.

Project	\$m	Comments
Transport projects	11.3	There is a timing difference on several projects due to delays from COVID-19 impacts. This has resulted in lower expenditure in some key programmes such as Cycleways, LGWM, and Footpath upgrades.
Organisational projects	11.2	Delays due to COVID-19 in the Te Ngākau Civic Precinct programme and Commercial Properties renewals.
Housing – renewals, upgrades and housing investment programme	13.9	There have been delays in expenditure with the housing investment programme and housing renewals and upgrades due to the establishment of the Community Housing Provider (CHP).
Sludge Minimisation	6.7	The variance relates to the delay in the land purchase and the associated shift in the airport ground servicing building. These costs have been delayed into 2022/23.
Wellington Waterfront Development & Renewals	6.7	This underspend primarily relates to the redevelopment of Frank Kitts Parks playground which has been delayed due to the liquidation of the original contractor. Completion is scheduled for 2022/23.
LGWM	5.8	The LGWM programme of work is continuing to be developed and has given rise to a timing delay in when this expenditure will occur. This timing difference will be reprioritised with projects coming up in future years.
Community Halls – upgrades & renewals	3.5	This variance has resulted from the rephasing of the Community Centres upgrades, which will now be done over the next two financial years.
Wastewater – upgrades and renewals	3.3	This is due to a timing difference
Gardens, beaches and green open spaces	2.7	Under budget due to underspends in the upgrades at Hawkins hill and coastal renewals.
Central City Framework	2.0	Part of the North Lambton Quay project and Laneways project is being reprioritised and aligned with the LGWM Golden Mile work stream.
Tākina Wellington Convention & Exhibition Centre (WCEC)	-4.1	This is due to being ahead of schedule with the project. Due for completion in mid-2023.
Other	2.1	Miscellaneous delays in several projects.
<b>Total 2021/22 variance</b>	<b>65.1</b>	<b>Underspend</b>

## Summary of COVID-19 financial impact

An assessment of the main impacts of COVID-19 on the Council's financial statements for the year ending 30 June 2022 is outlined in below with reference to the relevant Note to the financial statements in Volume 2 of the full Annual Report, where the impact is included.

## COVID-19 Financial impact Assessment

Item	Financial impact - 2022	2022 \$000	2021 \$000	2020 \$000	Total \$000	2022 Note
<b>Revenue</b>						
Revenue	Lost revenue for facilities being unable to operate, revenue forgone (eg. Parking, Rent) and general uncertainty (eg. Event planning), particularly operations of the Wellington Venues facilities.	12,527	5,592	13,577	31,696	2
Revenue	Wellington International Airport Limited - approximate dividend not declared for distribution, although already excluded from the Annual Plan for 2020/21 and LTP 2021-31	14,000	14,000	-	28,000	3
Rates postponement	Deferral of certain Quarter 4 commercial rates for 2021/22, Quarter 1 rates instalment payments for 2020/21 and Quarter 4 instalment for 2019/20.	154	1,908	2,182	4,244	1
Total Revenue Lost		26,681				
<b>Expenditure</b>						
Expenditure	Net increase / (reduction) in costs, particularly extra security costs - \$1.048m, but reduced costs of \$1.060m relating to events not held. (see separate grant costs)	513	(3,140)	(257)	(2,884)	7
Protest relief payments to affected businesses	Business recovery fund	804	-	-	804	7
CCO support grants	Budgeted additional grant funding to Council-controlled entities (unbudgeted in 2020) Wellington Cable Car Limited (\$977), Wellington Museums Trust (\$469), Wellington Zoo Trust (\$509) for COVID-19 relief	1,955	2,318	504	4,777	34
CCO support	Budgeted additional grant funding to Wellington Regional Stadium Trust for COVID-19 relief	1,500	-	-	1,500	34
CCO support	Drawdown on the joint loan facility agreed between Council and Greater Wellington Regional Council for the Wellington Regional Stadium Trust	1,200	900	-	2,100	34

## COVID-19 Financial impact Assessment

- continued

Item	Financial impact - 2022	2022 \$000	2021 \$000	2020 \$000	Total \$000	2022 Note
Other entity support	Funding agreement with WOW to provide access to financial relief in the event of a Government announced COVID-19 lockdown up to a maximum of \$5.000m	3,622	-	-	3,622	34 Note
City Recovery fund	Utilisation of the of City Recovery Fund (CRF)	-	2,940	-	2,940	30
Total extra Expenditure incurred		9,594				
<b>Other</b>						
CCO support	Provision of shareholder support to Wellington International Airport Limited if required, expired at 30 June 2022. No actual financial impact was incurred.	25,758	25,758	25,758	-	34
Revaluations	Valuation reports for investment property, operational or infrastructure assets contain statements around the heightened uncertainty relating to COVID-19	N/A	N/A	N/A	-	19 & 28
Payment terms	Reduction in payment timeframes from 20 to 5 working days maintained	N/A	N/A	N/A	-	





## Summary statement of comprehensive revenue and expense

The main variances from budget are discussed in the notes following the Statement of Comprehensive Revenue and Expense in the full Annual Report 2021/22.

	For the year ended 30 June 2022		Council		Group
	Actual	Budget	Actual	Actual	Actual
	2022	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000
Total revenue	709,788	622,596	575,724	734,502	603,334
Total expense (excluding finance expense)	(593,057)	(583,606)	(542,777)	(618,845)	(569,165)
Total finance expense	(29,296)	(23,323)	(25,490)	(29,305)	(25,509)
<b>Operating surplus/ (deficit)</b>	<b>87,435</b>	<b>15,667</b>	<b>7,457</b>	<b>86,352</b>	<b>8,660</b>
Share of equity accounted surplus/(deficit) from associates and jointly controlled entity	-	-	-	2,213	(3,891)
<b>Net surplus / (deficit) before taxation</b>	<b>87,435</b>	<b>15,667</b>	<b>7,457</b>	<b>88,565</b>	<b>4,769</b>
Income tax credit/(expense)	-	-	-	56	(482)
<b>NET SURPLUS / (DEFICIT) for the year</b>	<b>87,435</b>	<b>15,667</b>	<b>7,457</b>	<b>88,621</b>	<b>4,287</b>
<b>Net surplus/(deficit) attributable to:</b>					
Wellington City Council and Group	87,435	15,667	7,457	88,699	4,136
Non-controlling interest	-	-	-	(78)	151
	<b>87,435</b>	<b>15,667</b>	<b>7,457</b>	<b>88,621</b>	<b>4,287</b>
<b>Other comprehensive revenue and expense</b>					
Cash flow hedges - FV movement (net)	104,646	-	60,019	104,646	60,019
Share of other comprehensive revenue and expense of associates - Cash flow hedges - FV movement (net)	-	-	-	1,167	(573)
Fair value through other comprehensive revenue and expense	825	-	944	1,327	556
Revaluations of property, plant and equipment	1,854,02	-	284,092	1,854,02	284,092
Share of other comprehensive revenue and expense of associates - Revaluations of PP&E (net)	-	-	-	21,535	26,359
<b>Total other comprehensive revenue and expense</b>	<b>1,959,49</b>	<b>-</b>	<b>345,055</b>	<b>1,982,70</b>	<b>370,453</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>2,046,93</b>	<b>15,667</b>	<b>352,512</b>	<b>2,071,32</b>	<b>374,740</b>
<b>Total comprehensive revenue and expense attributable to:</b>					
Wellington City Council and Group	2,046,93	15,667	352,512	2,071,40	374,589
Non-controlling interest	-	-	-	(78)	151
	<b>2,046,93</b>	<b>15,667</b>	<b>352,512</b>	<b>2,071,32</b>	<b>374,740</b>

## Summary statement of financial position

As at 30 June 2022	Council				
	Actual	Budget	Actual	Actual	Group
	2022	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000
Current assets	248,606	311,055	241,516	271,927	263,991
Non-current assets	10,728,600	8,582,550	8,580,090	10,978,420	8,804,747
<b>Total assets</b>	<b>10,977,206</b>	<b>8,893,605</b>	<b>8,821,606</b>	<b>11,250,347</b>	<b>9,068,738</b>
Current liabilities	335,349	306,882	269,292	346,382	279,549
Non-current liabilities	901,231	1,212,901	858,619	903,459	860,005
<b>Total liabilities</b>	<b>1,236,580</b>	<b>1,519,783</b>	<b>1,127,911</b>	<b>1,249,841</b>	<b>1,139,554</b>
<b>EQUITY</b>					
Wellington City Council and Group	9,740,626	7,373,822	7,693,695	9,999,709	7,928,403
Non-controlling interest	-	-	-	797	781
<b>TOTAL EQUITY</b>	<b>9,740,626</b>	<b>7,373,822</b>	<b>7,693,695</b>	<b>10,000,506</b>	<b>7,929,184</b>



### Financial strength

The Council was close to achieving a balanced budget (underlying result) after allowing for one-off debt funded impacts.

The Council's AA+ credit rating with Standard and Poors draws on the net equity position with assets worth over \$10.98 billion and liabilities of only \$1.24 billion.

#### Assets, investments and liabilities

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

#### Current Assets

- Cash and cash equivalents (including cash on hand and at bank and short-term bank deposits up to 3 months) - \$26.6 million. This is a decrease of \$57.8 million in cash holdings from the previous year due to timing differences of cash flow requirements and an increase of \$39.5 million in longer-term investments.
- Other current assets (including receivable and recoverables, prepayments and non-current assets held for sale) - \$222 million.

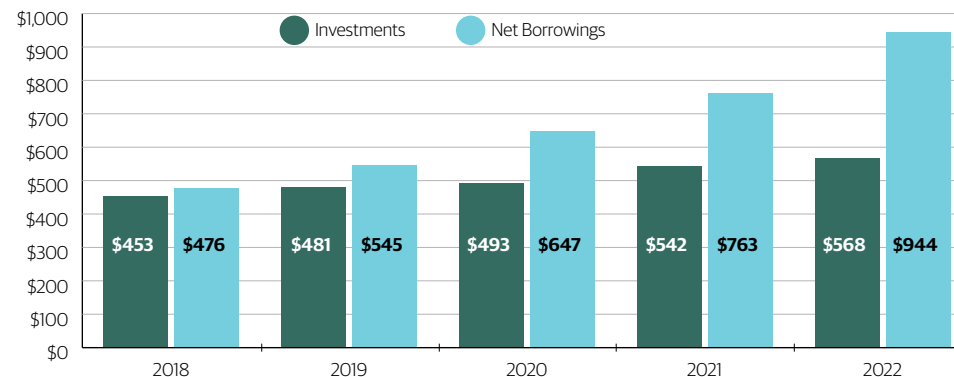
### Non-current Assets

- Property, plant and equipment (including land, buildings, pipes, roads and other infrastructure assets) - \$10.3 billion. The increase of \$2.1 billion when compared to 2021 largely reflects the \$1,854 million of net revaluations and the capital spend of \$291 million offset by depreciation and amortisation expense of \$146 million.
- Other non-current assets (including investment properties and investments in controlled entities and associates) - \$450 million.

The Council's level of investments continues to perform well, but not as strongly compared to previous years due to impacts of COVID-19 on investment revenue from Wellington International Airport Limited. For every \$1 Council incurs on paying interest on debt, the Council receives 42c from its investments. The graph below compares the balance of investments and net borrowings over the past 5 years.

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

Investment and borrowings - 5 year trend - \$m



#### Change of accounting policy

During the year the accounting policy in relation to the recognition of Zoo animals was changed from holding them at an estimated replacement cost of \$0.500m to not being recognised at all. This reflects customary practice that Zoo animals are generally not recorded due to the difficulty of assigning a value.

Our major liabilities include:

#### Current Liabilities

- Borrowings (maturing in the next 12 months) - \$209 million
- Other liabilities (payables and provisions) - \$126 million

#### Non-current Liabilities

- Borrowings (maturing past 12 months) - \$862 million
- Other liabilities (provisions and derivatives) - \$39 million.

The combined increase for liabilities of \$109 million is mainly due to increases in gross borrowings of \$162 million and payables of \$13 million, offset by the decreases in the valuation of interest rate swaps of \$54 million and other provisions for liabilities of \$10 million.

**Contingencies**

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

**Unquantified contingent liabilities**

**Holiday pay remediation**

Several of New Zealand’s public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003 (“the Act”). During 2019/20, Council completed its own review of payroll processes which identified instances of non-compliance with the Act. This review resulted in the Council establishing a project team to further look at system configuration and business processes to better understand the areas of non-compliance with the Act, this work has continued into 2021/22.

This is a significant undertaking and due to this the Council has decided that the project will be split into two phases; phase one is the rectification of known system configuration and business process issues, while phase two will be the remediation. The Council is near to completing phase one of the project, with a completion date estimated to be late 2022.

The Council have completed an RFP to engage a third party to start work on Phase two of the Holiday Project in the New Year. Phase 2 has an expected completion date by end 2023.

The Council has agreed to pay any remediation costs for Council-controlled entities where the Council was responsible for processing their payroll.

The Council acknowledges that the potential liability could be significant as the issue affects current and past employees and covers a period going back six years plus one from October 2020.

**Other claims**

There are various other claims that the Council and Group are currently contesting which have not been quantified due to the nature of the issues, the uncertainty of the outcome and/or the extent to which the Council and Group have a responsibility to the claimant. The possibility of any outflow in settlement in these cases is assessed as remote.



## Summary statement of changes in equity

### Changes in net worth

The Council's net worth is represented by equity, which is the difference between what the community owns (assets of \$10.98 billion) and what the community owes (liabilities of \$1.24 billion).

The Council's net worth at the end of the year was \$9.74 billion, an increase of \$2.05 billion from 2020/21. The major reasons for the increase were the \$1,854 million of property, plant and equipment net revaluations and an increase of \$104.6 million in our hedging reserve.

	Actual		Council		Group
	2022	Budget 2022	Actual 2021	Actual 2022	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Equity at the beginning of the year</b>	<b>7,693,695</b>	<b>7,358,155</b>	<b>7,341,183</b>	<b>7,929,184</b>	<b>7,554,444</b>
Net surplus / (deficit) for the year	87,435	15,667	7,457	88,621	4,287
Other comprehensive revenue and expense	1,959,497	-	345,055	1,982,701	370,453
<b>Total comprehensive revenue and expense</b>	<b>2,046,932</b>	<b>15,667</b>	<b>352,512</b>	<b>2,071,322</b>	<b>374,740</b>
<b>Equity - closing balances</b>					
Accumulated funds	1,269,134	1,269,134	1,269,134	1,293,162	1,293,162
Retained earnings	3,903,366	3,775,023	3,815,363	3,911,964	3,822,663
Revaluation reserves	4,484,022	2,415,427	2,631,206	4,704,556	2,830,205
Hedging reserve	57,624	(107,041)	(47,022)	58,172	(47,641)
Fair value through other comprehensive revenue and expense reserve	6,854	5,085	6,029	7,983	6,656
Non-controlling interest	-	-	-	797	781
Restricted funds	19,626	16,194	18,985	23,872	23,358
<b>TOTAL EQUITY</b>	<b>9,740,626</b>	<b>7,373,822</b>	<b>7,693,695</b>	<b>10,000,506</b>	<b>7,929,184</b>
<b>Total comprehensive revenue and expense attributable to:</b>					
Wellington City Council and Group	2,046,932	15,667	352,512	2,071,400	374,589
Non-controlling interest	-	-	-	(78)	151
	<b>2,046,932</b>	<b>15,667</b>	<b>352,512</b>	<b>2,071,322</b>	<b>374,740</b>

## Summary statement of cash flows

### Changes in cash held

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

For the year ended 30 June 2022		Council		Group	
	Actual 2022 \$000	Budget 2022 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2021 \$000
Net cash flows from operating activities	140,720	179,272	175,477	140,935	178,188
Net cash flows from investing activities	(333,735)	(333,872)	(297,496)	(339,908)	(296,358)
Net cash flows from financing activities	135,241	170,242	107,791	136,158	108,427
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(57,774)</b>	<b>15,642</b>	<b>(14,228)</b>	<b>(62,815)</b>	<b>(9,743)</b>
Cash and cash equivalents at beginning of year	84,349	5,777	98,577	103,542	113,285
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>26,575</b>	<b>21,419</b>	<b>84,349</b>	<b>40,727</b>	<b>103,542</b>



## 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 notes to the financial statements.

The following updates have been included due to their significance.

## Weather Impacts

During August 2022, prolonged and higher than usual rainfall has caused several substantial slips and hundreds of more minor ones with many roads being temporarily closed. Many houses are also at risk and several are no longer safe for habitation.

The impacts of these incidents will be ongoing.

## Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

During the financial year, further progress has been made towards transitioning three waters assets and delivery services from councils via the establishment of a National Transition Unit (NTU) and the establishment of the four new water entities. It has now been confirmed that Wellington City Council water delivery will be assumed by Entity C along with all eligible assets.

The requisite legislation to enable the new water entities includes the Water Services Entity (WSE) Bill, the Water Services Entities Amendment Bill, and the Water Services Economic and Consumer Protection Bill. The WSE legislation received the Royal Assent from the Governor-General on 14 December 2022.

The two further reform Bills were introduced on 14 December 2022. The WSE Amendment Bill covers how the entities will operate, regarding funding, pricing, customer relations between entities and local authorities. The Water Services Economic and Consumer Protection Bill provides the Commerce

Commission with the powers it needs to act as the regulator for the entities' pricing and funding decisions.

There are several compensation packages being provided by the Crown to ensure Wellington City Council is not put in a worse off position post water reform and these are being worked on as more detail becomes available. Wellington City Council have been working alongside the NTU and with other local councils to provide information to support establishment of the new three waters landscape and are providing staff, data and resources to enable the transition to occur on 1 July 2024.

## Sludge Minimisation Project

To address the issues identified with Wellington wastewater treatment, and achieve the objectives identified, Wellington City Council intends to construct a Sludge Minimisation Facility using Lysis-Digestion and Thermal Drying Technology at the Moa Point site to facilitate the disposal of Wellington's sewage sludge. WCC has been working to deliver a reliable and effective new facility to substantially reduce the wastewater treatment sludge volume discharged to the southern landfill. The SMF will play a key role in ensuring that WCC's waste management systems are effective and sustainable and is an important enabler of WCC achieving its emission reduction targets.

Traditional funding and financing of the SMF is not feasible given balance sheet constraints or would require significant reprioritisation of the Council's existing long-term capital expenditure programme to ensure that debt covenants were not exceeded. Furthermore, future headroom to fund strategically important initiatives such

as Let's Get Wellington Moving would be unavailable. We have therefore looked to use an alternative funding option based on the new Infrastructure Funding and Financing Act 2020 (IFFA). Using an IFF Levy to fund the SMF will deliver a range of benefits to WCC, its ratepayers and the Crown.

## Let's Get Wellington Moving (LGWM)

LGWM is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi NZ Transport Agency, with support from Mana Whenua partners Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira.

On July 6th, 2022, Wellington City Council and Greater Wellington Regional Council approved the mass rapid transport option 1 for the LGWM programme, the same option endorsed by Government the week before.

Option 1 introduces mass rapid transit to the South Coast and continuous bus priority to the East and focuses on a new Mt Victoria

tunnel with dedicated provision for public transport, walking and cycling, as well as upgrades at the Basin Reserve to improve flows and physically separate movements and extend the Arras tunnel.

The next stage will involve detailed investigations which will test assumptions. Bus rapid transit will also be investigated further as a reserve plan may be appropriate given technological developments.

## COVID-19

The financial impact of COVID-19 to Council in 2021/22 and earlier years is outlined in the separate disclosure in this summary on page 30.

From 31 July 2022, New Zealand fully opened its international borders with the world, assuming vaccination requirements are met. Migrant workers and international students are also slowly returning to New Zealand. However many New Zealanders and other non-New Zealand citizens are also leaving with a net migration loss.

The combined effect of this net migration loss and other factors including lingering effects of COVID-19 in the community, and other winter illnesses in particular, is contributing to the lack of staff in various employment sectors. Council has not been immune to this situation and has been required to close the Tawa Pool to the general public since 25 July 2022 until 30 September 2022 due to a nationwide shortage of lifeguards. Generally, other operations of Council have been able to continue as usual.

From 13 September 2022, the COVID-19 Protection Framework ended and most restrictions were removed apart from mask requirements in certain healthcare environments such as hospitals. The vaccine requirements previously required for international visitors were also removed.



## Resource Management Act reform

In February 2021, the government announced that it would replace the Resource Management Act 1991 (RMA) with a new legislative framework, reflecting that the RMA has not delivered the desired environmental and development outcomes, and does not consistently give effect to Te Tiriti o Waitangi/ the Treaty of Waitangi.

On 23 November the Government introduced two of the three Bills to replace the Resource Management Act 1991, the Spatial Planning Bill and the Natural and Built Environment Bill. The NBA will act as the primary replacement of the RMA, focusing on protecting and restoring the environment while enabling development; the SPA will require spatial planning to be undertaken at a regional level rather than a local level, helping to coordinate and integrate decision making. The third yet to be introduced bill - the Climate Change Adaptation Act will address issues related to

the managed retreat of communities from coastal environments.

Together, the purpose of this new framework is to support the protection and restoration of the environment, guide long-term regional spatial planning, and address issues associated with climate change adaptation.

It is expected that the NBA and SPA will pass early in 2023 with the transition period to the new arrangements extending to the end of the 2020's. From 30 November 2022, it became a legal requirement for local government to 'have regard to' the national adaptation plan and the emissions reduction plan when preparing or changing Resource Management Act 1991 (RMA) regional policy statements, regional plans, and district plans.

## Future for Local Government Review

In 2021, the government appointed a panel to identify how our system of local democracy and governance needs to evolve over the next 30 years to improve the wellbeing of New Zealand communities and the environment, and to actively embody the Treaty partnership.

The scope of this local government review covers all aspects of local government, including the functions, roles, and structures of local government; relationships between local government, central government, iwi, Māori, businesses, communities, and other organisations; the embodiment of Te Tiriti o Waitangi, and funding and financing arrangements.

As a result of the Review Panel's engagement process over the past 12 months, five key shifts for the local government system have been identified.

These shifts consider how to:

- strengthen local democracy
- have a stronger focus on wellbeing
- build and maintain authentic relationships with hapū/ iwi/ Māori
- have genuine partnership between local and central government
- establish a more equitable funding approach for local government's activities.

The Review into the Future for Local Government published its second draft report, He mata whāriki, he matawhānui on 28 October 2022. The draft report poses recommendations and key questions to shape a more community-focused, citizen-centred local governance system

Submissions and feedback to shape the third and final report are open until 28 February 2023, with the final report to be delivered in June 2023.

### Interest rates

Since 30 June 2022 there have been four subsequent increases in the Official Cash Rate, rising from 2.00% to 4.25% with potential for further increases as the Reserve Bank attempts to control economic issues such as high inflation and the cost of housing. The effect on the Council is primarily increased interest expense on its borrowings, although this is mitigated by the use of cash flow hedging against some debt and increased interest revenue on investment deposits.

The increase in interest rates has also seen a positive movement in the unrealised value of the cash flow swaps used for hedging some of the Council's debt portfolio.

### Wellington Community Housing Provider Trust

The Council made the decision to establish a Community Housing Provider (CHP) on 30 June 2022, following a statutory process of community consultation and a Long-term Plan amendment.

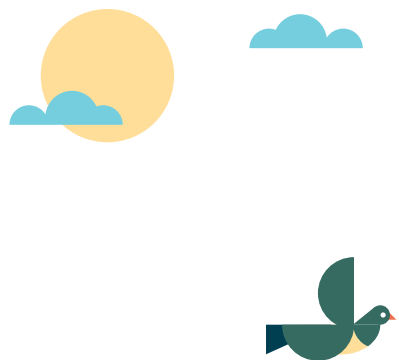
On 4 August 2022, the Social, Cultural and Economic committee considered a paper on various provisions of the Trust Deed, including the purpose of the Trust, size and composition of the Board and required skills

and processes for Trustee appointments. Decisions were also made in regard to the lease and loan agreements between the CHP and the Council, support for transferring existing tenants and a transition plan to establish the Trust by July 2023.

On 1 September 2022, the committee considered a second paper on the provisions of the Trust, including Trustee duties and powers, remuneration, terms of office, voting and decision-making thresholds and incorporation of Takai Here principles. Decisions were also made on the components of a relationship management and monitoring framework.

On 16 November 2022, four Council-appointed Trustees were confirmed.

The Council signed-off the Trust Deed on 15 December 2022, with settlement of the Trust anticipated to occur in early 2023.



# Te Pūrongo a te Kaitātari Motuhake

## Independent Auditor's Report

### To the readers of Wellington City Council and Group's summary of the annual report for the year ended 30 June 2022.

The summary of the annual report was derived from the annual report of the Wellington City Council and Group (the City Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following summary statements on pages 33 and 34 and 49-58:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;

- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

### Opinion

In our opinion:

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

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

### Summary of the annual report

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

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

### The full annual report and our audit report thereon

We expressed a qualified opinion on the statement of service provision and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2022 in our auditor's report dated 15 December 2022. The basis for our qualified opinion on the statement of service provision is explained below.

### Measurement of City Council Group greenhouse gas emissions

The Council has chosen to include a measure of the quantity of greenhouse gas emissions (GHG) emissions from the Council and group in its performance information. This includes emissions generated directly by the Group itself, as well as indirect emissions related to the products and services used by the Council and Group. We consider this material performance information because the Council has declared a climate emergency and because of the public interest in climate change related information.

In measuring the GHG emissions associated with certain goods and services purchased by the Council, including capital goods, the Council has relied on spend-based emissions factors based on 2007 data. There is insufficient evidence to show that these factors are relevant for use in measuring the Council's GHG emissions for the years ending 30 June 2021 and 2022, and we were unable to obtain sufficient alternative evidence to conclude that the reported performance is materially correct.

As a result of this issue, our work over the Council's scope three emissions was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for the performance measure described above.

Without further modifying our opinion, we also draw attention to the inherent uncertainty disclosure in Volume 1, page 67 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

#### **Water services' performance measures**

Six councils, including the City Council, are joint shareholders in Wellington Water Limited (Wellington Water). Wellington Water manages the six councils' water assets and services on their behalf.

A Committee represented by a member of each shareholding council monitors the performance of Wellington Water. Wellington Water reports its performance in respect of water services to the six councils, which are required to report thereon in their respective statements of service provision.

We identified issues with some of these performance measures as described below.

#### ***Total number of complaints received - Water supply, Wastewater, and Stormwater***

The City Council was unable to provide a complete record of all complaints received as some complaints were made directly to Wellington Water. The City Council was unable to reconcile its information with that held by Wellington Water. There were no practical audit procedures we could apply to obtain assurance over the completeness or accuracy of reported results for these performance measures. Our opinion on these performance measures was also qualified for the 2021 performance year.

#### ***Maintenance of the reticulation network - Water supply***

In the prior year, Wellington Water was unable to report a reliable water loss percentage for each of its shareholding councils. This is because the water loss percentage was estimated using information obtained from water meters across the reticulation network. The limited number of water meters across the shareholding councils' reticulation networks significantly impacted the reliability of the results.

This issue has been resolved for the 30 June 2022 year following a change in methodology. As the issue cannot be resolved for the 30 June 2021 year, the reported performance for the 30 June 2022 year may not be directly comparable to the 30 June 2021 performance information.

Information about these matters are also disclosed on page 3 and 31 of the City Council's summary annual report.

#### **Emphasis of matter - The Government's three waters reform programme**

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the Government's three waters reform programme. In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the City Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities. This matter is disclosed in page 55 of the summary financial statements.

### Council's responsibility for the summary of the annual report

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

### Auditor's responsibility

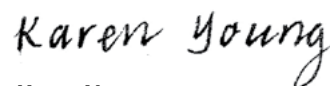
Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards,

which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and the reporting on the summary and full annual reports, we have audited the City Council's 2021-2031 Long-term Plan amendment, carried out a limited assurance engagement related to the City Council's debenture trust deed, provided probity assurance for the Central Library seismic strengthening and refurbishment project, and the main contractor for the Healthy Homes project, and performed a review of the revenue and expenditure of the Clifton Terrace Car Park managed by the City Council on behalf of Waka Kotahi NZ Transport Agency. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with or interests in the City Council or its subsidiaries and controlled entities.



**Karen Young**  
**Audit New Zealand**

On behalf of the Auditor-General  
Wellington, New Zealand  
16 January 2023



### **Directory**

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

### **Council offices**

Wellington City Council  
113 The Terrace, Wellington  
PO Box 2199, Wellington 6140,  
New Zealand

Customer Contact Centre:

**Phone:** 04 499 4444

**Website:** [wellington.govt.nz](http://wellington.govt.nz)

**Email:** [info@wcc.govt.nz](mailto:info@wcc.govt.nz)

**ISSN:** 0114-8362 (Print)  
2324-559X (Online)

Published by Wellington City Council,  
113 The Terrace, Wellington, New Zealand.

Printed in-house on FSC accredited  
(Forest Stewardship Council) paper  
sourced from WMF (Well Managed Forests).  
It has an EMAS certification (Environmental  
Management and Audit Scheme), and is  
produced Elemental Chlorine Free.

The Annual Report 2021/22 was adopted  
by the Council on 15 December 2022 in  
compliance with the Local Government  
Act 2002.



**Absolutely Positively**  
**Wellington City Council**

Me Heke Ki Pōneke

J015574